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# **Reserve Bank of India**

## **REPORT**

**ON**

## **CURRENCY AND FINANCE**

**FOR THE YEAR**

**1958-59**

**Price** { Inland Rs. 4.50 (Postage extra)  
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## Prefatory Note

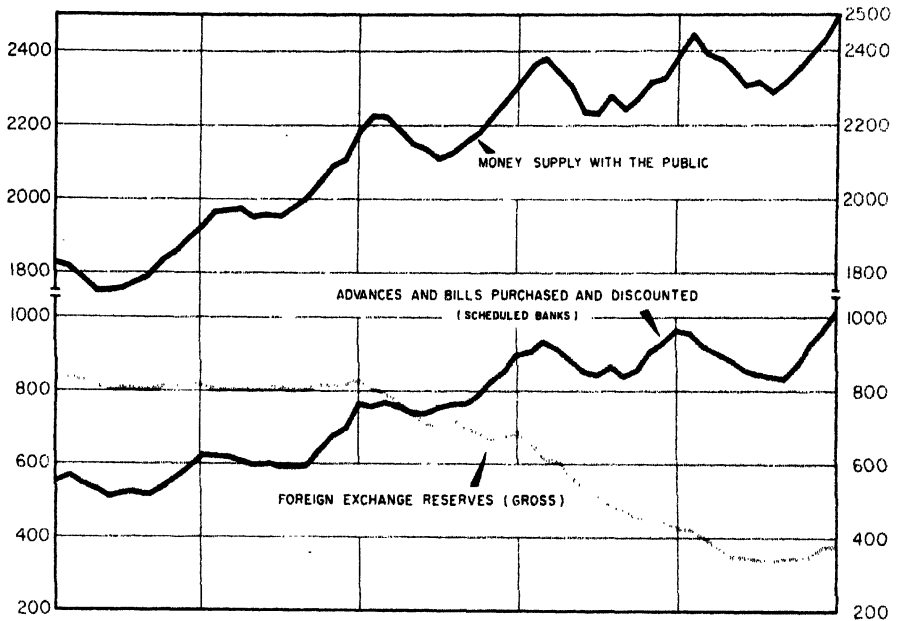
This Report on Currency and Finance relating to the financial year 1958-59 is the *twenty-third* in the series since the Reserve Bank took over its compilation from the Office of the Controller of Currency of the Government of India. From the comments and criticisms that have appeared on this Report, particularly in recent years, it would appear that there is inadequate appreciation of the scope of the Report. This Report, like its predecessors in the days of the Controller of Currency, is intended to be mainly a *factual* review of the trends and developments in the Indian economy during the year to which it relates, with a brief account of economic developments abroad. The object is to give in one publication detailed statistical data for each financial year and summary data for some previous years too, together with an analysis of these data. The Report is intended to be primarily a reference document; any discussion of controversial matters, including an appraisal of Government policies and pronouncements, is outside the scope of the Report, though all the facts are presented in a convenient form to enable the readers to form their own judgment. Such comments and policy observations as the Bank wishes to make publicly are contained in its statutory reports on the Trend and Progress of Banking in India and on the working of the Reserve Bank, both of which are issued annually under the authority of the Bank's Central Board of Directors, whereas this Report is issued by the Staff of the Bank.



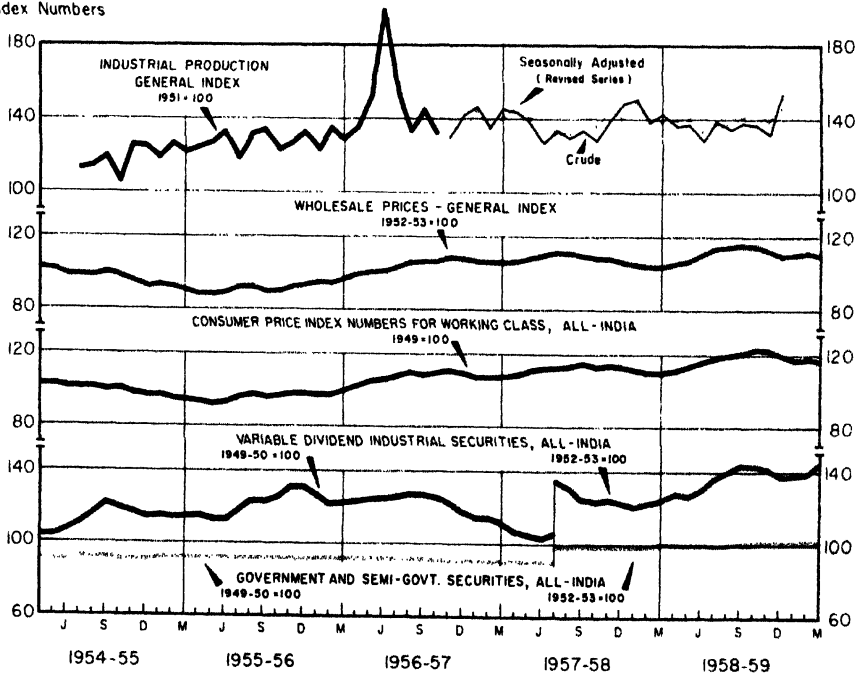
GRAPH 1

Crores of Rupees

# SELECTED ECONOMIC INDICATORS



Index Numbers



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## INTRODUCTION

**General.**—During 1958-59, the Indian economy revealed mixed trends, with a blend of elements of stagnation and forces of sustained progress, and of recessionary tendencies with basic inflationary factors. With continuing drastic import curbs and larger external aid, the balance of payments position underwent a distinct change, with a marked easing of the drain on foreign exchange reserves. This improvement was, however, to a not inconsiderable extent, associated with a slowing down of the rate of new investment and of growth of industrial production. These developments, which were already apparent in the latter half of last year, became more pronounced in the first half of 1958-59; during this period, the general level of prices also showed an almost continuous rise, but this reflected mainly the impact of the sharp fall in foodgrains output in 1957-58. During the latter half of the year, however, the situation showed improvement with a seasonal decline in prices, due mainly to the prospects of bumper agricultural output in the 1958-59 crop season and partly to the recovery in the rate of industrial production which more than made good the slackness noticed during the earlier part of the year, though for the year as a whole the rate of rise showed a decline. The resumption of economic expansion was accompanied by a substantial monetary expansion during the busy season of the year, though this would appear to have been somewhat excessive.

The drain on foreign exchange reserves at Rs. 47 crores for the year as a whole was much less than the loss in the preceding two years, namely, Rs. 260 crores and Rs. 221 crores. As a matter of fact, from November 1958 onwards, there was a more or less steady rise in reserves, aggregating Rs. 44 crores by the end of the year. This improvement would not have been possible but for the substantial foreign aid received during the year.

The price situation, on the other hand, was a matter of some concern. The general index of wholesale prices, which had recorded no material change in 1957-58, showed a net rise of 6.5 per cent in 1958-59, the food group rising by as much as 11.2 per cent. Government's efforts continued to be directed towards holding the price line and to this end, a number of measures were adopted during the year to control the movement, consumption and prices of foodgrains as well as to build up stocks. A major step during the year in this respect was the decision announced by Government in November 1958 to introduce State Trading in wheat and rice; in effect this implied some further intensification of the existing policy of larger State purchases for stocks and distribution.

The growth of industrial production was disappointing, the rate of growth slowing down in 1958 to 1.5 per cent from 3.5 per cent in 1957 and a rate of 7-8 per cent in the previous two years; however, in the closing months of the year there was evidence of an increased tempo of industrial activity. The diminution in the rate of increase in industrial production was partly attributable, as in the previous year, to the shortage of industrial raw materials, arising from import restrictions. In some industries, notably cotton textiles, the decline in output was

also due to the slackness in domestic demand during the greater part of the year and the difficulties of maintaining exports at previous levels. The employment situation continued to cause concern, as a result of a more rapid rise in the number seeking employment as compared to job opportunities; a rough indication of this was provided by the continued rise in the number of applicants on the live registers of employment exchanges.

The overall investment in the economy would appear to have recorded only a modest rise in the year under review, the rise occurring in the public sector. Investment activity in the private sector would appear to have been somewhat lower than in 1957-58, due mainly to foreign exchange difficulties. The trend of company profits appeared to be downward, as in 1957. However, during the year, Government adopted several measures to assist the private sector of industry. In particular, Government's fiscal policy was adapted to meet the needs of the situation; for example, excise duties on a number of goods were scaled down considerably and various export incentives were given in an attempt to maintain production and exports. Some industries also benefited from the protective effect of the import curbs. In consequence, there appeared to be a definite change in the investment climate, and reflecting this, the share markets experienced a minor boom, the rise in prices being more pronounced, following the presentation of the Union Budget. The Reserve Bank's index of variable dividend industrial securities recorded an increase of 16 per cent, in contrast to the fall of 13 per cent registered in 1957-58. The gilt-edged market also maintained firm conditions practically throughout the year.

The Plan outlay in the public sector maintained its uptrend; the outlay which increased from Rs. 639 crores in 1956-57 to Rs. 846 crores in 1957-58, recorded a further rise to Rs. 981 crores in 1958-59. The overall budgetary deficit of the Centre and States, however, recorded a sharp decline as compared to 1957-58, due mainly to larger domestic borrowing and external assistance. The total market borrowings of the Centre and States amounted to Rs. 227 crores as compared to only Rs. 71 crores in 1957-58. The larger Government borrowing reflected partly the state of ample liquidity of the banking system during the greater part of the year; the Centre's borrowing was also helped to an extent by the accrual of P.L. 480 funds to the U.S. Government's balances in India which were invested in Government securities. Sales of Treasury bills to the public were also resumed in July 1958, after a lapse of about 27 months. The Small Savings Scheme was also somewhat more successful than in 1957-58. In the result, the combined overall deficit of the Central and State Governments was appreciably smaller at Rs. 136 crores as compared to Rs. 503 crores in 1957-58.

In the monetary sphere, while the net expansion in money supply over the year was larger than in 1957-58, the net rise in scheduled bank credit was smaller. The seasonal swings in both money supply and bank credit were more marked than in the previous year, and, in the busy season, the monetary expansion assumed larger proportions than in any previous year mainly because of the estimated record agricultural output and the rising tempo of industrial output. The expansion in scheduled bank deposits,

though substantial, was somewhat smaller than in 1957-58, and this was accompanied by a large rise in the holdings of Government securities of banks; the growth in deposits as well as the expansion in the gilt-edged portfolio of banks during the year was facilitated by the counterpart funds arising from P.L. 480.

The Bank's credit policy continued to be one of controlled expansion directed to meeting the genuine credit needs of the productive sectors of the economy. The state of excess liquidity in the banking system, which tended to exercise some pressure on prices of shares, commodities and bullion, reinforced the need for continued monetary restraint in general. Under these circumstances, the Reserve Bank not only maintained the selective control on credit against foodgrains and sugar, with suitable modifications, but also extended its scope to groundnuts. With a view to checking unhealthy speculation on the stock markets, the Bank, by means of a circular letter, impressed upon banks the need to exercise vigilance in the matter of advances against shares.

During the year, further efforts were made to promote the growth of banking facilities and rural credit. The State Bank's branch expansion continued apace. The scope of credit facilities made available to the banking system was widened through extension of the Reserve Bank's bill market scheme to export bills, though lending against bills has been relatively small. There was also further liberalisation of remittance facilities. The financial assistance provided by the Reserve Bank to the co-operative sector continued to expand. The institutional set-up for providing finance to industry was also further strengthened during the year. The Refinance Corporation for Industry Private Ltd., for providing relending facilities against medium-term loans given by banks to medium-sized industries in the private sector, started functioning during the year and the various other financial corporations also continued to be active; the Industrial Finance Corporation of India, for instance, diversified its activities by underwriting a new issue and by guaranteeing deferred payments in respect of some cases involving import of machinery and equipment from abroad, while the Industrial Credit and Investment Corporation of India Ltd. disbursed, for the first time, loans in foreign currencies. The pilot scheme of the State Bank for providing credit to small-scale industries was extended during the year to cover all branches of the Bank.

The chapters which follow contain a detailed review of the various aspects of the Indian economy, during the year under report. As a background, a review of economic and monetary developments abroad, during the year, is briefly attempted in the following paragraphs of this chapter.

### **Economic Developments Abroad**

The most outstanding development in the world economic scene in 1958 was the vigorous revival of the U. S. economy from out of the short-lived but sharp recession of 1957. The developments during the year dispelled the fears entertained earlier that the U. S. recession would lead to a general international liquidity crisis. In fact, industrial countries, aided by the sharp shift in the terms of trade in their favour, were able

to raise their gold and dollar reserves (from the U.S.) to record levels, which in turn made possible the move to convertibility in Western Europe towards the end of the year. In most of the European countries, the decline in economic activity, the degree and timing of which varied, proved to be much less than apprehended. In general, the recessionary phase in these countries was characterised by an abatement of inflationary pressures, reflecting the slowing-down of the rate of economic expansion due mainly to internal causes. In many of these countries, these developments provided the conditions for resumption of a more sustainable rate of economic growth and permitted a widespread relaxation in the monetary and credit restraints imposed in 1957; in some cases like the U. K. and Canada, monetary and credit policies were also supplemented by appropriate changes in fiscal policies, with a view to stimulating economic expansion. In a majority of European countries, since monetary conditions were dominated by the excess liquidity of the banking system arising partly from balance of payments surpluses, the problem was one of permitting increased private liquidity, while at the same time reducing bank liquidity. Consequently, in these countries, simultaneously with action to reduce interest rates, measures of a normally restrictive nature (raising of commercial banks' reserve requirements, open market net sales, funding etc.) were also taken. On the other hand, in the primary-producing countries, which were confronted with persistent payments difficulties mainly on account of the fall in their export income resulting from continued weakness in world commodity prices, credit restrictions generally continued to be kept in force or even strengthened. In the U. S. A., during the recession phase, the System found it necessary to supply additional reserves to the banks, but with the economy entering into a phase of rapid revival in the latter half of the year, there was renewed concern about inflation and monetary and credit policies were accordingly adapted promptly to meet the needs of the changed situation.

Industrial production in most of the leading countries ranged somewhat lower than the peaks attained in 1957. In the U.S.A., the downtrend in industrial output, which began in September 1957 continued through April 1958, influenced mainly by the large-scale inventory liquidation. During this period, output declined by about 13 per cent. As a result of the slowing down in the rate of inventory liquidation and the relaxation in monetary and fiscal controls, industrial production tended to recover from May onwards, the pace of the recovery quickening as the year progressed. At the end of 1958, industrial output was still below the 1957-peak, but this was surpassed in the first quarter of 1959. For 1958 as a whole, the U.S. industrial output, which had hardly shown any change in 1957, recorded a sizeable decline of 6.6 per cent. In most Western European countries, the decline in the rate of growth in industrial production, noticed in 1957, became more pronounced. In Western Germany, the output rose by only 3.4 per cent in 1958, as compared to 5.8 per cent in 1957. In France, the rate of increase in production slowed down from 9 per cent last year to 5.5 per cent. In Japan, industrial output expanded by only 1.1 per cent as compared to 18.5 per cent in 1957. In India too, industrial production rose by 1.5 per cent only as compared to 3.5 per cent in the previous year. In the U. K., there was a slight decline in output of less than 1 per cent as against a small rise of 1.8 per cent in 1957.

Despite the recessionary tendencies and the subsidence of inflationary pressures during the greater part of the year, there was no evidence of any marked downward pressure on wholesale prices which in most countries remained either stationary or levelled off only a little. In the U. S. A., the index of wholesale prices (base 1953=100) remained stable around 108 almost throughout the year. This marked resilience of U. S. prices probably reflected the operation of the various 'built-in stabilisers' and of the price support schemes in the country. In Canada also, the general price level remained stable throughout 1958. Among West European countries, the price level in Western Germany at the end of 1958 was also about the same as at the end of 1957. In the U. K. also, the price level recorded only a small rise. In France, the upswing in prices, noticed last year, slowed down considerably, the rise over the year being only 1.7 per cent as against 14.4 per cent in 1957. In Japan, there was a further decline of 5.8 per cent which was more marked than the decline of 2.8 per cent in the previous year. In India, however, as against a fall of 1 per cent in 1957, there was a rise of 3.9 per cent in 1958. The cost of living indices continued to rise in most countries, but at a much slower pace. The rise was 1.9 per cent in the U. S. A., 1.7 per cent in the U. K. and 0.9 per cent in West Germany; the corresponding percentages for 1957 were 2.9 per cent, 3.5 per cent and 2.8 per cent. In Japan and India, however, the cost of living indices rose faster than in 1957, the rise amounting to 2.8 per cent and 5.7 per cent, as compared to 1.9 per cent and 2.9 per cent.

Prices of internationally-traded commodities, which had suffered a sharp fall in 1957, recovered somewhat in the first half of 1958, due partly to a seasonal growth in demand, but again tapered off thereafter. Moody's index (base December 31, 1931=100) of world commodity prices, which had dropped from 441.6 to 391.2 in 1957, moved up to 405.3 at the end of July 1958, but declined again to 389.2 by the end of December 1958. The decline for the year as a whole was considerably less marked, being only 0.6 per cent as compared to a fall of 11 per cent in the previous year. On the whole, in 1958, the supply of commodities remained in excess of demand. In general, commodity markets did not benefit much from the industrial recovery and restocking in the U.S.A. after the recession, mainly because of the falling off of industrial output in Europe after the first quarter of 1958. Commodity-wise, average prices for 1958 showed marked declines in the case of sugar, lead, coffee, cotton and wool, the fall in the last two commodities probably reflecting the world-wide recession in the textile industries. Lead suffered from the import quotas imposed by the United States. Major exceptions to the general trend were cocoa and copra. There was a recovery in copper in the latter half of the year, which owed much to the labour strike in the Rhodesian mines; natural rubber was also helped by the substantial increase in Russian purchases.

As regards trends in international trade, contrary to general expectations, the U.S. recession did not lead to any significant fall in U.S. merchandise imports which in 1958 declined by only about 3 per cent. U.S. exports declined by about 16 per cent from the 1957 level which, however, was exceptionally high because of certain special factors like the effects of the Suez crisis on Europe. The U.S. surplus

on goods and services, excluding military transfers under aid programme, was reduced from \$5.8 billion in 1957 to \$2.4 billion in 1958. On capital account, U.S. private direct investments in foreign countries declined from the record levels of 1957, but this decline was partly offset by a rise in foreign bond floatations on the U.S. capital market and by some increase in the outflow of long-term U.S. Government capital. On balance, as against a small surplus in 1957, the U.S. had an overall payments deficit of \$3.4 billion, of which \$2.3 billion was met by sales of gold by the U.S. Treasury which brought down U.S. gold holdings to \$20.6 billion at the end of 1958. The gold outflow, which was mostly directed towards Western European countries, undoubtedly strengthened the general international liquidity position of these countries. The substantial outflow of gold from the U.S.A. reflected the desire of foreign countries to hold reserves in the form of gold rather than U.S. dollars, arising from the decline in short-term interest rates in the U.S.A., rumours of a possible increase in the international price of gold and, to some extent, fears in some quarters regarding a possible devaluation of the dollar.

Another important development during the year in the direction of increasing international liquidity was the approval, by the Board of Governors of the I.M.F., of a general increase of 50 per cent in the quotas of member countries and a special increase in the quotas of Canada, West Germany and Japan, which would become effective by September 15, 1959, if members representing 75 per cent of the present quotas have by that date formally given their consent to the increase in their individual quotas. (India's present quota would as a result be increased to \$600 million). The need for an increase in the quotas arose as a substantial part of the Fund's gold and dollar resources were already committed through drawings and stand-by credits and as the existing quotas had become somewhat unrealistic in the context of the rise in the quantum of world trade since 1944 when the quotas were decided upon. The proposed changes would raise the Fund's resources by \$5.1 billion to \$14.3 billion and would double its holdings of gold and U.S. dollars from \$2.3 billion to \$4.6 billion. The Executive Directors of the International Bank for Reconstruction and Development also recommended an increase in the Bank's authorised capital from \$10 billion to \$21 billion; however, no part of the increased capital would be called up in cash. The proposal is designed to increase the Bank's uncalled capital subscription of members and particularly the uncalled capital subscriptions of the United States which provides a sort of guarantee fund for investors.

Consequent on the lessening of domestic inflationary pressures and a favourable movement in the terms of trade, most countries of Western Europe recorded a striking improvement in their external payments position during 1958. The gold and dollar holdings of the Sterling Area rose by about \$795 million (£284 million), mainly owing to the greatly improved payments position of the U.K., which had a record current account surplus of £455 million in 1958. Increases in the gold and dollar holdings of Belgium, Germany, Italy and Netherlands were in the range of \$300—\$450 million. In France, the rise in reserves occurred in the second half of 1958 and early in 1959.

The striking improvement in their reserves position facilitated the declaration, by several countries of Western Europe (viz. the U.K., West Germany, France, Italy, Austria, Belgium, Luxembourg, Denmark, Netherlands, Norway, Portugal, Sweden and Finland), of non-resident convertibility of their currencies towards the close of 1958. This partial convertibility move was, by and large, a *de jure* recognition of the already existing *de facto* convertibility; however, it was a very significant step towards a freer system of multilateral trade and payments. Effective January 1, 1959, the European Common Market, embracing six European countries (namely, France, West Germany, Italy, Belgium, Luxembourg and the Netherlands) also came into existence. In France, the convertibility move was accompanied by a devaluation of the French franc by 17.55 per cent. In West Germany, the move towards external convertibility was followed by some steps in January 1959 towards resident convertibility.

The convertibility move automatically terminated the European Payments Union, and a new European Monetary Agreement, which was signed on a stand-by basis in August 1955, came into operation. Under this agreement, a new European Fund with a capital of \$600 million has been set up to provide short-term assistance to member countries up to two years to enable them to tide over temporary balance of payments difficulties. This Agreement also provides for a system of multilateral settlements on a monthly basis.

In contrast to Western Europe, the balance of payments position of the *primary-producing* countries of Latin America showed deterioration, due principally to a fall in exports to industrial countries and an adverse change in their terms of trade resulting from the decline in export prices. As a result, Mexico, Argentina, Venezuela and Cuba suffered substantial losses in their gold and foreign exchange reserves. Among the independent non-sterling countries of Asia, Japan's external payments position staged a remarkable recovery, after the 1957 payments crisis, partly owing to the imposition of import restrictions at the end of 1957 and a favourable change in the terms of trade; the country's gold and foreign exchange reserves recorded a rise of \$337 million in 1958, notwithstanding the repurchase of \$125 million borrowed from the I.M.F. in 1957.

In 1958, the gold and dollar reserves of the Sterling Area rose by £284 million to £1096 million, despite service payments amounting to about £70 million on the North American Loans made in December. In the first half of 1959, there was a further net rise, the reserves reaching £1133 million at the end of June 1959. The Sterling Area's surplus with the non-sterling world rose from £7 million in 1957 to £137 million in 1958 and was shared by the U.K. as well as the Rest of the Sterling Area. As against a deficit of £90 million in 1957, the U.K. had a favourable current balance with the non-sterling world of £15 million in 1958, indicating mainly the marked improvement with the Dollar Area; the U.K. earned a current account surplus with the Dollar Area of £56 million as against a deficit of £95 million in 1957. Reflecting mainly an increase of £115 million in its surplus on capital account with the non-sterling world, the Rest of the Sterling Area's overall surplus with the non-sterling world increased from £97 million in 1957 to £122 million in 1958, although its current deficit with the non-sterling world widened from £383 million to £473



million. Transactions with the Dollar Area revealed a net surplus of £366 million as compared to £286 million in 1957. However, the Rest of the Sterling Area's overall payments position continued to rule weak, consequent on the contraction in export earnings and the need to maintain a high level of developmental imports. Thus, in 1958, countries like Pakistan, Australia, New Zealand and India faced serious payments difficulties which were met by reducing non-essential imports, drawing down of sterling balances and increased foreign assistance.

In 1958, the slowing down in economic activity in most industrial countries called for a shift in the existing monetary policies of positive restraint to those of active ease. There was a general easing of monetary and credit restrictions, which in some instances represented a deliberate move to pave the way for recovery by stimulating effective demand in the economy. In most European countries, monetary developments were also strongly influenced by the balance of payments surpluses and the resulting increase in domestic liquidity position. In general, the measures adopted had the desired effect of encouraging domestic economic activity and of regulating internal liquidity. In fact, in the U.S.A., where a vigorous recovery got under way in the second half of 1958, renewed fears of a recrudescence of inflation and the emergence of an unprecedented boom on the stock exchange led the authorities to reimpose credit restraints as a precautionary measure. However, among the primary-producing countries, restrictive credit policies generally continued to be in force throughout 1958 in view of the persistence of inflationary pressures and balance of payments difficulties.

During 1958, there were frequent and widespread reductions in the Central Bank discount rates. Discount rates were changed in *twelve* countries on more than *thirty* occasions, all but three of these changes being in a downward direction. Thus, the rate was lowered five times in the U.K., four times each in Belgium, the Netherlands and Eire, thrice in the U.S.A., twice each in Denmark, West Germany and Japan and once each in France, Italy and Sweden. In the first three months of 1959 also, *ten* countries made an equal number of changes in their discount rates, of which eight were reductions. In the U.K., the Bank rate was reduced in stages, from the crisis rate of 7 per cent to 4 per cent; the earlier reductions were made against the background of the improved balance of payments position and restoration of confidence in sterling and the later ones mainly to provide the necessary stimulus to economic activity which had shown signs of sagging. In the U.S.A., the discount rate was reduced by several steps from  $3\frac{1}{2}$  per cent in November 1957 to  $1\frac{1}{4}$  per cent in April 1958; however, beginning from September 1958, the rate was again raised until it touched  $3\frac{1}{2}$  per cent by May 1959. Canada's flexible discount rate also rose from the latter half of 1958. In Belgium and the Netherlands, discount rates were lowered in recognition of the growing liquidity of the money market arising from the large accretion to gold and foreign exchange reserves. In West Germany, the Bank rate was reduced in January 1959 from 3 per cent to an all-time low of  $2\frac{3}{4}$  per cent in order to bring interest rates to a level substantially below those prevailing in other Continental countries and thereby stimulate the outflow of private capital.

In most countries outside Europe and North America, Central bank discount rates either remained unchanged or were increased in 1958 or the early part of 1959. In Brazil, for instance, the discount rate was raised from 6 per cent to 8 per cent in April 1958 and fiscal and physical controls were also imposed to stem the inflationary pressures. Pakistan also raised its Bank rate in January 1959 from 3 to 4 per cent to counter inflationary pressures which were accompanied by balance of payments deficits.

Apart from the Bank rate, other quantitative instruments of credit control such as reserve requirements, rediscount facilities and credit ceilings were used in some cases to render the Bank rate changes more effective and in others to prevent excessive credit expansion. Thus, in the U.S.A., in order to provide banks with additional reserve funds approximately equal to the gold outflow, successive reductions of one-half per cent were made in four stages in the reserve requirements of member banks between February and April 1958; to the same end, the Federal Reserve made large open market purchases of Government securities. In the Netherlands, on the other hand, the lowering of the discount rate was followed by the raising, in stages, of commercial bank reserve requirements from 4 to 10 per cent in view of the increasing liquidity of the money market, thanks to the favourable turn in the balance of payments. In France, where the persistence of inflationary pressures necessitated the continuance of restrictive measures, the National Credit Council set in February a ceiling on the amount of short and medium term credit made by banks to the private sector at the average of the short and medium-term credit outstanding on September 30 and December 31, 1957. Following this, the Bank of France raised in April the penalty rates on discounts in excess of the ceilings fixed for each individual credit institution from 7 to 8 per cent for discounts between 100 and 110 per cent and from 10 to 12 per cent for discounts in excess of 110 per cent of the ceiling. However, in the second half of the year, as signs of slackness began to emerge in certain sectors of the economy, credit restrictions were partially eased through a reduction in the rate charged on discounts in excess of 110 per cent of the rediscount ceiling from 12 to 10 per cent and from 8 to 7 per cent for discounts between 100 and 110 per cent of the ceiling. In May, the Reserve Bank of New Zealand raised sharply trading banks' reserve requirements from 10 to 26 per cent in respect of demand liabilities and from 5 to 10 per cent for time liabilities. The South African Reserve Bank exercised its power of making commercial banks keep supplementary reserves with it in addition to the existing statutory reserves; effective from the end of June, the banks were required to maintain supplementary cash reserves equal to a specified percentage of their total liabilities to the public in the Union. In Argentina, the Central Bank directed the commercial banks towards the close of 1958 to increase their minimum cash holdings from 20 per cent to 30 per cent of their deposit and sight liabilities.

In the pre-recession phase of active credit restraint, several countries had resorted to directives and selective controls over particular credit sectors as supplementary measures to control the expansion of bank credit. In 1958, however, some

of these countries found it possible to withdraw such directives ; in others, either the existing directives were continued or fresh ones imposed with a view to forestalling any abnormal expansion of credit. In the U.K., the directive issued to banks in September 1957 requiring them to maintain average bank advances in the ensuing twelve months at a level not exceeding the average of the preceding twelve months was withdrawn in July 1958. Further, a revised set of instructions were issued to the Capital Issues Committee which made for some relaxation in the scope of control. Simultaneously, the limit of £10,000 below which new issues did not require the Committee's approval was raised to £50,000 and restrictions on bank finance to raise new capital were removed. In Norway, the Bank of Norway issued a directive to banks in September 1958 asking them to exercise caution in the granting of credit without at the same time curtailing credit to essential productive channels. Similarly, in New Zealand, the trading banks were directed early in the year to cut down their advances by the end of June, to the level prevailing in June 1957, while giving priority to essential productive activity and for exports.

In a few of the West European countries, the easing of monetary and credit conditions enabled a broadening of consumer credit. Thus, in the U.K., controls over hire purchase on a wide range of consumer durable goods as well as industrial plant and agricultural equipment were abolished in September 1958 ; this was followed in October by the removal of all regulations on hire purchase. In France, the minimum hire purchase deposits on consumer durables were reduced from 35 per cent to 25 per cent and the period of payment was extended from 12 to 15 months.

Despite a substantial fall in cost and increased availability of credit resulting from an active policy of credit ease, there was no marked expansion in bank credit in the leading industrial countries, except in the United Kingdom. By and large, the growth of bank credit and money supply was restrained during the greater part of the year by the general slowdown in economic activity. In the U.K., the ending of the credit squeeze and the withdrawal of the hire purchase restrictions were followed by a sharp rise in bank credit of 12 per cent in 1958, as against a fall of 1 per cent in 1957. In the U.S., the growth of bank credit in 1958 at 4.3 per cent was only slightly higher than that in 1957 at 4.0 per cent. In West Germany, as against a rise of 4 per cent in 1957, short-term loans of commercial banks to business and private customers recorded a slight decline, but the medium and long-term loans rose from 10 per cent to 15 per cent, reflecting a shift by industrial concerns from short-term to long-term borrowing. In India, bank credit showed only a small rise in 1958. Over the year, money supply in the U.S.A. rose by about 3.5 per cent and that in the U.K. by 2.5 per cent, in contrast to declines of about 1 per cent each in 1957. In West Germany, it rose by 13 per cent in continuation of a rise of 12 per cent in the preceding year. In France, the rate of expansion in money supply slowed down from 9 per cent in 1957 to 6 per cent in 1958 and in India from 4.4 per cent to 3.3 per cent. In the Netherlands, however, in contrast to a decline of 2 per cent in 1957, money supply expanded by about 12 per cent, reflecting mainly the favourable turn in the balance of payments.

In the fiscal sphere, in view of the divergence in timing and severity of the impact of the recessionary tendencies, the degree of reliance on fiscal policy as an instrument of stimulating demand differed from country to country. By and large, greater reliance was placed in most countries on anti-cyclical monetary policies to counter the recession, and fiscal policies played only a secondary role. Further, there was divergence from country to country in the importance given to tax concessions and Government spending. Thus, in the U.S.A., the Government did not go in for all-out reductions in direct tax rates, but relied mainly on the expansion of expenditure on public works. And, from mid-1958, as the pace of the economic recovery quickened and the need for incurring a further deficit no longer existed, the Administration presented a balanced budget for the fiscal year 1959-60. In Canada, on the other hand, general tax concessions in respect of income-tax and profit-tax were granted by a supplementary budget introduced in December 1957; no significant changes were made in the March 1958 budget. In the U.K., as part of the policy of limiting the general recession, the Chancellor of the Exchequer announced, on November 3, that investment in the public sector for 1959-60 would be increased by about 10 per cent over the limit imposed for 1958-59. Also, in view of the improved budgetary position and with a view to providing further stimulus to the economy, the 1959-60 budget proposed substantial tax concessions. In other European countries like Belgium and Holland, with the onset of the recessionary tendencies during mid-year, their 1959 budgets provided for large budgetary deficits. In France, however, in view of the continuing inflationary pressures, the fiscal measures adopted in July 1958 provided for a 'once-for-all' levy on company profits earned in 1957, a tax on business turnover, certain taxes on luxuries and increase in petrol duties. In the case of primary producing countries, the budgetary policies were designed to restrict imports, curtail domestic consumption and raise larger revenues to meet the growing expenditures. In 1958, in order that the budgetary deficits incurred may not give rise to inflationary pressures, the Governments of several countries pursued vigorous borrowing programmes for enhancing the receipts from market loans. In some countries, e.g., the U.K. and the Union of South Africa, efforts were also made to promote small savings through the provision of incentives in the form of higher interest rates.

## II. PRODUCTION

### Agricultural Production

Overall agricultural production suffered a severe set-back during 1957-58. The decline was of the order of 8.4 per cent, the index (base: Agricultural year ended June 1950 = 100) falling from 123.8 in 1956-57 to 113.4 in 1957-58. The fall was as much as 11.0 per cent in the case of foodgrains, the relative index falling from 120.5 to 107.3, while the non-foodgrains index showed a relatively small decline of 3.6 per cent. The table below sets out the production of important agricultural commodities during the years 1956-57 and 1957-58.

Production of Agricultural Commodities

Commodities				Production in 1957-58	Production in 1956-57	Percentage variation in 1957-58 over 1956-57	Revised targets of production for the Second Plan Period
Foodgrains (Million tons)	...	...	...	62.0	68.7	-9.8	80.5
Sugar (Raw) (Million tons)	...	...	...	6.5	6.8	-4.4	7.8
Oilseeds (Million tons)	...	...	...	5.9	6.2	-4.8	7.6
Cotton (Lakh bales)	...	...	...	47.5	47.4	+0.2	65
Jute (Lakh bales)	...	...	...	40.5(a)	42.9	-5.6	55

(a) Based on partially revised estimates.

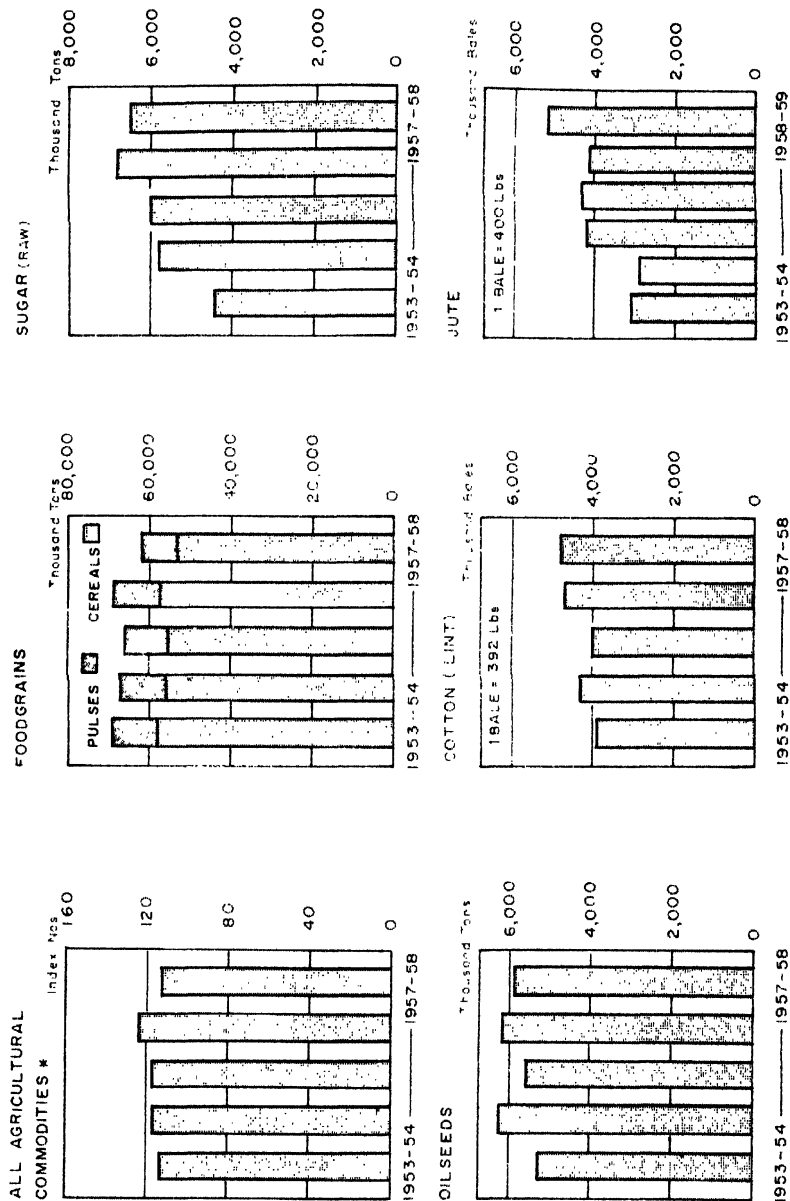
For 1958-59, provisional estimates indicate quite an encouraging position; production of foodgrains is expected to reach a record level of 73 million tons. Among commercial crops, the production of groundnut is estimated to have risen to 4.8 million tons from 4.4 million tons ('partially revised' estimate\*) in 1957-58. The production of jute and mesta at 52 lakh bales and 16 lakh bales, respectively, reached new record levels during the year. In respect of cotton, however, the area sown is estimated to have decreased slightly by 0.4 per cent. The following paragraphs review in some detail the trends in production of individual commodities:

(1) *Foodgrains*.—During 1957-58, foodgrains production recorded a heavy decline, as a result of seriously adverse seasonal conditions. The output dropped by 6.7 million tons from the peak level of 68.7 million tons attained in 1956-57 to 62.0 million tons. This sharp decline in production was shared by both cereals and pulses. The output of cereals fell by 4.4 million tons, rice alone showing a

\* According to the official terminology, 'partially revised' estimates are more recent than 'final' estimates.

GRAPH 2

# PRINCIPAL AGRICULTURAL COMMODITIES IN INDIA





decline of 3.4 million tons from 28.3 million tons to 24.9 million tons. The decline in the case of pulses was 2.3 million tons.

There was a marked decline in the marketed surplus of foodgrains and a consequent uptrend in food prices upto September 1958. With the movement of *kharif* crops into the market, the situation eased somewhat, although prices of *rabi* cereals, especially of wheat, continued to rule firm till end-January 1959. Measures taken by the authorities to meet the situation are noticed elsewhere in the Report.

For 1958-59, production of foodgrains, as already noticed, is placed at 73 million tons. The output of rice is provisionally placed at a new record level of 29.7 million tons, which represents a substantial rise of 19.4 per cent over the production of 24.9 million tons in 1957-58 ('partially revised' estimate) and a rise of 5.1 per cent over the 1956-57 output. The production of wheat is expected to have reached a new high of 9.7 million tons as compared to 7.7 million tons ('partially revised' estimate) in 1957-58. The output of *bajra* is similarly estimated to have gone up by 7.6 per cent to 3.8 million tons and that of *jowar* by 5.4 per cent to 8.7 million tons. The output of almost all other *kharif* and *rabi* cereals is also reported to have gone up. The rise in production of *rabi* crops is attributed mainly to the increase in sown area together with the intensive 'Rabi Production Campaign' in nine States.

(2) *Other Agricultural Products.* (a) *Cotton.*—Despite unfavourable weather conditions in the major cotton growing States, production of cotton during 1957-58, estimated at 47.53 lakh bales, was slightly higher than the record level reached in the previous year (47.35 lakh bales). The crop year 1958-59 started well, but, owing to an unfavourable turn in weather conditions later, production, according to unofficial estimates, is estimated to show no significant improvement over the previous year. Mill consumption of Indian cotton, which had declined in 1957-58, showed an uptrend due mainly to a revival of demand for cloth and partly to lower imports of foreign cotton. Consumption of Indian cotton during the first eight months of 1958-59 (September-April) amounted to 31.1 lakh bales as compared with 30 lakhs bales during the corresponding period of the previous year.

(b) *Jute.*—Production of jute in 1958-59 registered an increase of 27.8 per cent over the previous year and reached a new record level of 51.78 lakh bales, the previous high being 46.78 lakh bales in 1951-52. This sizeable increase in output was attributed partly to favourable climatic conditions at the growing period of the crop and partly to intensive efforts made by the Government under the various Jute Development Schemes initiated in 1948-49.

(c) *Oilseeds.*—The total production of major oilseeds (groundnut, rape and mustard, sesamum, linseed and castorseed) declined from 6.2 million tons in 1956-57 to 5.9 million tons in 1957-58 or by 4.8 per cent; with the exception of groundnuts, which recorded a rise of 5.6 per cent to 4.4 million tons, all the seeds recorded a decline in output. The fall in production was attributed partly to decrease in area and partly to unfavourable weather conditions during the growing period. As regards



1958-59, the production of groundnut is estimated to reach a record level of 4.8 million tons and the total production of major oilseeds is also expected to be higher than in 1957-58.

(d) *Sugarcane*.—The production of sugarcane (in terms of *gur*) declined from 6.8 million tons in 1956-57 to 6.5 million tons in 1957-58 or by 4.4 per cent due partly to a fall in acreage and partly to adverse seasonal conditions. The all-India second estimate for 1958-59 shows a slight increase in area under sugarcane and production is expected to be higher than in 1957-58.

(e) *Tea*.—The production of tea in 1958 reached a new record level of 711 million lbs\*, representing an increase of 4 per cent over the previous year. Production in North India increased by 22 million lbs. to 554 million lbs. and that in South India by 5 million lbs. to 158 million lbs. Exports of tea also showed a sharp rise from 450 million lbs. in 1957 to 509 million lbs. in 1958. The increase was mainly attributed to the higher demand from West Asian countries, the U.K., U.S.A., U.S.S.R. and Ireland and the competitive position of Indian tea from the point of view of both quality and price.

(f) *Tobacco*.—The production of tobacco declined from 2.94 lakh tons in 1956-57 to 2.52 lakh tons during 1957-58, due partly to a decrease in area and partly to adverse weather conditions during the growing period. The Tobacco Extension Scheme is in operation in the States of Andhra Pradesh, Bihar, Uttar Pradesh, Madras and Bombay.

### Industrial Production

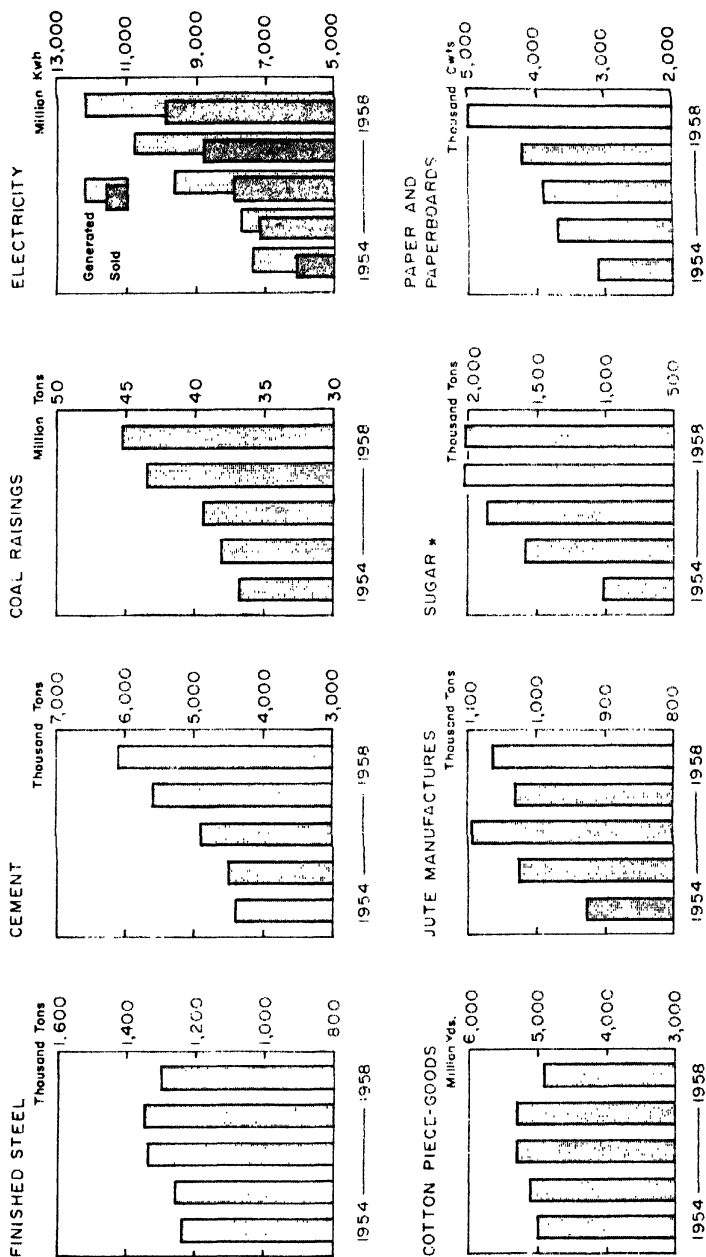
The rise of industrial production in 1958 registered a further slowing down over the previous year. For the year as a whole, the average general index (base 1951 = 100) worked out to 139.4, representing an increase of only 1.5 per cent as compared to 3.5 per cent in 1957 and 8.3 per cent in 1956. The decline in the pace of industrial growth could be attributed in part to continued shortage, during the greater part of the year, of essential raw materials and component parts due to restricted imports and in part to continued slackness in certain sectors, particularly cotton textiles.

This slowing down in the rate of growth of industrial production during 1958 was mainly accounted for by the decline in the two sub-groups, cotton cloth and cotton yarn, which together account for more than one-third of the total weight of the general index. The indices for cotton cloth and cotton yarn fell by 7.2 per cent and 3.5 per cent, respectively, in 1958. Sugar and automobiles also declined by 5. per cent and 16. per cent, respectively. As against these, substantial increases

\* Provisional,

GRAPH 3

# INDUSTRIAL PRODUCTION IN INDIA



\* Relates to crop year Nov. to Oct.



were recorded under several groups, notably 'general engineering' (4.8 per cent), 'chemicals and chemical products' (13 per cent), 'cement' (8 per cent), 'non-ferrous metals' (9 per cent) and 'iron ore' (23.8 per cent).

A feature of the industrial growth in 1958 was the steep rise recorded by some of the units in the public sector; thus, the output of machine tools (value) rose sharply from Rs. 125.5 lakhs to Rs. 227.7 lakhs, penicillin from 19.23 million mega units to 26.93 million mega units and insecticides (Delhi only) from 316.8 tons to 1130.4 tons. It is of interest to note that some of the new industries, which were established after 1951 and not included in the index, also recorded sharp increases; these include industrial V. Belts, naphthols, vat dyes, typewriters, fluorescent tubes, polythene films, capstan lathes, milling machines and road rollers. Mention may also be made here of the production during 1958, for the first time in this country, of goods like compounded electroplating salts, activated carbon, sodium perborate and heat treatment salts, heavy industrial sewing machines, mercury vapour lamps, PVR insulated aluminium cables and mica insulating bricks for steel projects.

The position of some of the important industries is noticed in some detail in the following paragraphs.

The output of *cotton* cloth, which in 1957 had levelled off around the 1956 peak of 5,306 million yards, declined sharply to 4,927 million yards in 1958. The decline was due mainly to a fall in external demand. There was a fall in exports, owing to general recession in world trade and aggressive foreign competition. Other factors contributing to the slackness in this industry included higher production costs on account of outmoded machinery and excess labour strength, and lack of proper assessment of consumer preference. Exports of mill-made cloth fell from 840 million yards in 1957 to 582 million yards in 1958. Internal demand also flagged during the greater part of the year with the result that mills continued to be faced with the problem of stocks. A number of measures were taken by the authorities to rehabilitate the industry and these included (1) substantial reductions in excise duty on cloth, (2) the removal, with effect from August 28, of piece-goods and manufactures (with certain exceptions) from the export licensing system, (3) a special export promotion scheme under which exporting mills were allowed to retain a stipulated percentage of export earnings for import of textile machinery and raw materials, (4) the permission to instal additional automatic looms upto 3,000 on condition that the entire production of such looms should be exported in addition to 50 per cent of the mills' exports in any one of the years 1954-56\*. As a result of these measures, the situation improved somewhat, stocks with mills falling to 437 million yards at the end of March 1959 as against 517 million yards a year earlier.

\* Later, in May 1959, the Government announced that the mills were permitted to instal in replacement of ordinary looms 7,500 automatic looms over the three years 1959, 1960 and 1961 without any obligation of export as a condition.

The production of *jute goods* increased by 32,000 tons to 1,062,000 tons during 1958, reflecting partly the easier supply position of raw jute and partly the increased efficiency of mills on completion of their modernisation programme. There was, however, a sharp decline in exports from 860,100 tons in 1957 to 777,900 tons in 1958. The decline occurred entirely under sacking (by 105,000 tons), owing to a decline in foreign demand, particularly from Australia and Egypt; this decline was partially offset by a rise of 12,000 tons in the exports of hessian. Sacking stocks with mills rose from 92 million yards at the end of December 1957 to 214 million yards at the end of July 1958 and ranged between 210 million yards and 183 million yards till February 1959. To meet the situation, the Indian Jute Mills Association decided to seal a further  $1\frac{1}{2}$  per cent of the looms, effective from February 5, 1959, thus raising the total percentage of sealed looms to 14\*. Stocks of sacking with mills declined from 190 million yards at the end of February 1959 to 172 million yards at the end of March 1959. Stocks of hessian with mills at the end of March 1959 were lower than those at the end of March in any previous year since 1951-52.

The production of *sugar*, which rose to a high level of 20.08 lakh tons in the 1956-57 sugar season, declined slightly to 20.06 lakh tons in 1957-58 despite an increase in capacity. The decline was mainly due to large-scale diversion of sugarcane to *khandsari* industry which until February 28, 1959 was exempt from excise duty. The output for the first five months of the current season (i.e. November 1958---March 1959) showed a fall of 17,000 tons over the level of the corresponding period of 1957-58. Under the Ordinance of June 1958, providing for the export of 50,000 tons of sugar (referred to in the last year's Report), exports during the year ending October 1958 amounted to 32,000 tons; subsequently the balance of the quota was also exported. For the current season, the Government decided on December 22, 1958 to release 1 lakh tons. Of this, 50,000 tons, in the first instance, were frozen for export. After a review of the output position and internal requirements, the Government since announced on May 27 their decision to release 50 per cent of the frozen quota for internal sale and 50 per cent for export. Of the quantity allotted for exports, about 7,500 tons have been already exported.

The production of *steel* declined from 1.35 million tons in 1957 to 1.30 million tons in 1958 due partly to strikes in two leading steel factories and partly to interruption to normal production inevitable in the process of modernisation. The Tata Iron & Steel Co. has since completed its modernisation programme. The Indian Iron and Steel Co. has installed two blast furnaces, each with a capacity of 1,250 tons per day and its expansion programme is scheduled for completion by December 1959. In the public sector, the steel expansion programme has been making satisfactory progress. The first blast furnaces for producing pig iron at Rourkela and Bhilai were opened in February 1959. Five more blast furnaces are expected to be completed during 1959. Steel production is expected to start both at Rourkela and Bhilai by the end of 1959. As a result of these developments, the

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\* The IJMA have since decided to unseal  $1\frac{1}{2}$  % of looms with effect from June 22, 19

shortage of steel, which was keenly felt during the last two years, is expected to be largely overcome.

Production of *coal* increased in 1958 although at a lower rate. Production in 1958 at 45.3 million tons represented a rise of only 4 per cent as compared to 10.3 per cent in 1957. It may be recalled here that, of the additional production of 22 million tons envisaged under the Second Plan, the public sector was to contribute 12 million and the private sector 10 million tons. On the basis of approved programmes, it is estimated that the private sector is not only likely to achieve this additional production but even exceed it. The public sector, however, is expected to contribute only 8.5 million tons. Expansion plans are well under way and a notable development was the opening, on March 14, 1959, of the coke oven plant at Durgapur which was built with West German assistance.

In *cement* also, the rate of growth in production slowed down. Production at 6.1 million tons in 1958 showed a rise of 8.3 per cent as compared to 13.7 per cent in 1957. The demand for cement, however, did not keep pace with the increased production owing to insufficient availability of steel and the slower rate of implementation of some of the Plan projects, with the result that there was heavy accumulation of stocks which rose from 109,000 tons at the end of 1957 to 154,000 tons at the end of 1958. Demand has since improved and the industry has been further assisted by Government's decision to allow exports of 2 lakh tons of cement. Exports during 1958 totalled 41,000 tons.

Production of *chemicals and chemical products* showed an appreciable increase despite difficulties in regard to imports of capital equipment and raw materials. A feature was the start of production of several new products including compounded electroplating salts, activated carbon and sodium perborate. In the public sector, the second D.D.T. factory at Alwaye went into production during the year and the trial production of urea and double salt was started at Sindri. The production of sulphuric acid rose by 16 per cent to 227,000 tons in 1958. With the completion of expansion schemes, the total installed capacity for caustic soda increased to 66,000 tons from 45,360 tons in 1957; production increased from 43 thousand tons in 1957 to 57 thousand tons in 1958.

The production of *salt* increased significantly to 112.5 million maunds during 1958 as compared to 98.7 million maunds in 1957, thus exceeding the Second Plan target of 100 million maunds. Exports, however, fell from 10 million maunds in 1957 to 7 million maunds in 1958.

### **Trends in National Income**

According to preliminary estimates for 1957-58, the rising trend in national income (at constant prices) witnessed since 1949-50 seemed to have been halted. At constant (1948-49) prices, the preliminary estimate of national income, i.e. net national output at factor cost for 1957-58, is placed lower at Rs. 10,830 crores as compared

to the revised estimate of Rs. 11,000 crores for 1956-57. This represents a decline of 1.5 per cent as against the rise of 5.0 per cent during 1956-57. The per capita income at constant prices during 1957-58 registered a fall of 2.8 per cent as against a rise of 3.6 per cent in 1956-57. This set-back was due mainly to a sharp fall in agricultural production, the contribution of which to national income declined by Rs. 320 crores. However, this was partly offset by a rise of Rs. 150 crores in the contribution made by other sectors. There was a rise of Rs. 40 crores under 'mining, manufacturing and small enterprises', Rs. 20 crores under 'commerce, transport and communications' and Rs. 100 crores under 'other services'; net earned income from abroad showed a decline of Rs. 10 crores.

Expressed at current prices, national income in 1957-58 was higher at Rs. 11,360 crores as compared to Rs. 11,310 crores in 1956-57. Per capita income at current prices, however, showed a slight decline from Rs. 291.5 to Rs. 289.1.

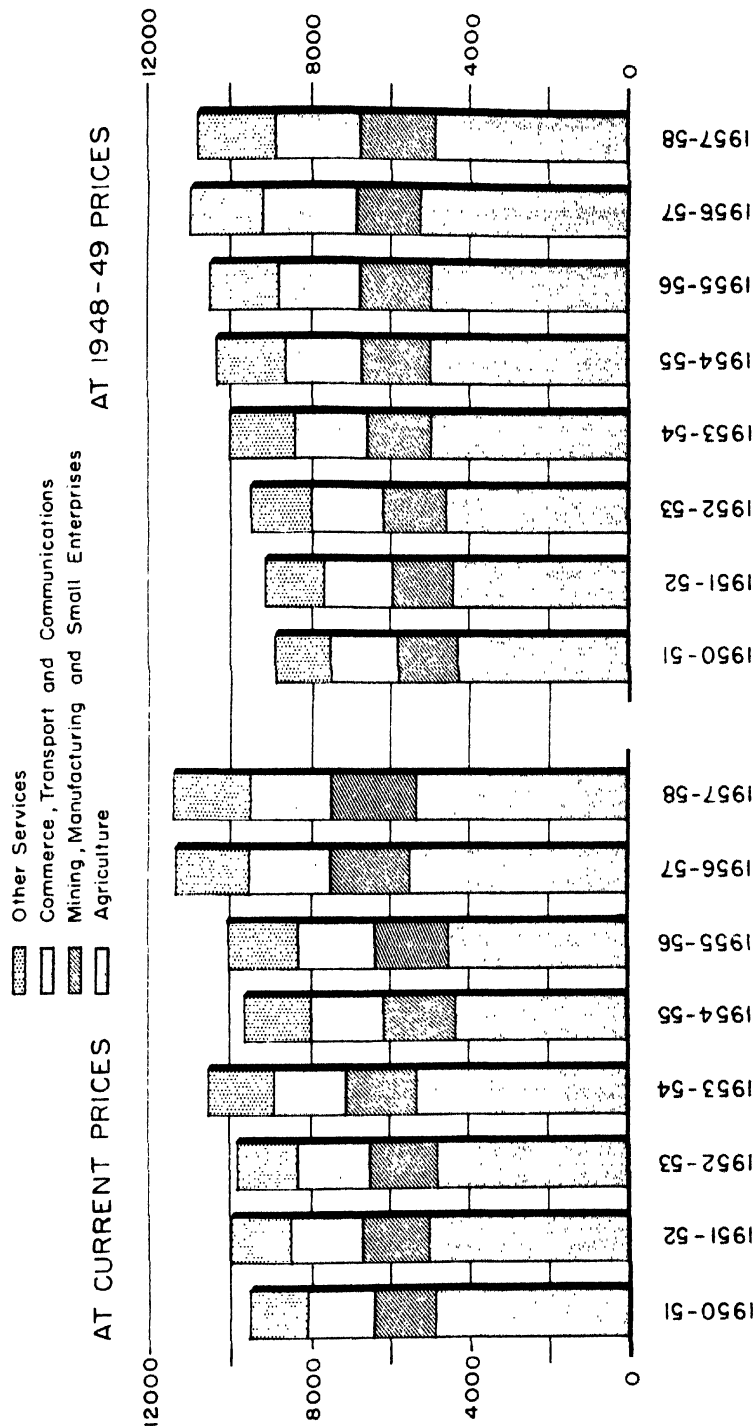
		1957-58@	1956-57	1955-56	1954-55	1953-54	1952-53	1951-52
<i>Net output in Rs. abja*</i>								
1. At current prices	...	113.6	113.1	99.8	96.1	104.8	98.2	99.7
2. At 1948-49 prices	...	108.3	110.0	104.8	102.8	100.3	94.6	91.0
<i>Per Capita net output in Rs.</i>								
3. At current prices	...	289.1	291.5	260.6	254.2	280.7	266.4	274.0
4. At 1948-49 prices	...	275.6	283.5	273.6	271.9	268.7	256.6	250.1

Although national income estimates for 1958-59 are not yet available, it would appear that national income (at constant prices) will show a marked increase over 1957-58, mainly because of the estimated substantial improvement in agricultural production.

GRAPH 4

# NATIONAL INCOME BY INDUSTRIAL ORIGIN

( CRORES OF RUPEES )





### III. PRICES

**General.**—During 1958-59, the price situation caused some concern. Prices rose almost continuously upto October 1958 but thereafter there was a slow decline. Over the year, the Economic Adviser's general index number of wholesale prices (base: 1952-53 = 100) recorded a net rise of 6.5 per cent to 112.3 (monthly average of weekly prices) as compared to hardly any net variation during 1957-58. The *annual* average of weekly indices for the year at 112.9 also showed a rise of 4.2 per cent as compared to 2.9 per cent in the preceding year. The all-India consumer price index number for working class (base: 1949 = 100) recorded a significant rise of 6.4 per cent to 117, as compared to 2.8 per cent in 1957-58.

(Base: 1952-53 = 100)

Groups and sub-groups	Weight	March 1957	March 1958	March 1959	Percentage change of		Average for			Percentage change of (8) over (7)
					(3) over (2)	(2) over (1)	1956-57	1957-58	1958-59	
		1.	2.	3.	4.	5.	6.	7.	8.	9.
<b>All Commodities</b> ...	1000	105.6	105.4	112.3	+ 6.5	- 0.2	105.3	108.4	112.9	+ 4.2
Food Articles ...	504	102.3	102.3	113.8	+ 11.2	—	102.3	106.4	115.2	+ 8.3
Liquor and Tobacco ...	21	87.2	94.9	100.3	+ 5.7	+ 5.8	84.3	94.0	95.4	+ 1.5
Fuel, Power, Light and Lubricants ...	30	106.5	114.3	116.1	+ 1.6	+ 7.3	104.2	113.4	115.4	+ 1.8
Industrial Raw Materials ...	155	117.3	111.3	116.2	+ 1.1	- 5.1	116.0	116.5	115.6	- 0.8
Manufactures ...	290	106.2	107.7	108.2	+ 0.5	+ 1.4	106.3	108.2	108.1	- 0.1
(a) Intermediate Products ...	41	108.9	106.8	109.4	+ 2.4	- 1.9	110.9	107.3	110.3	+ 2.8
(b) Finished Products ...	249	105.7	107.7	108.0	+ 0.3	+ 1.9	105.6	108.2	108.0	- 0.2

The uptrend in prices, which started from mid-February 1958, gathered momentum during the year under review, the general index touching a peak of 116.9 during the week ended September 13. The index hovered around that level till the week ended October 18, when it was 116.5. Since then, a decline set in, the index reaching 110.7 by January 3, 1959. After a spurt for about a month, which carried the index to 114.4 by February 7, it declined again to 111.7 by the end of the year.

It is significant to note that the bulk of the rise in prices over the year 1958-59 occurred under the group 'Food Articles' (with a weightage of 50.4 per cent in the

general index), which rose by 11.2\* per cent as compared to no change in 1957-58. The rise in the index of food articles was mainly due to the sharp fall in output of foodgrains in 1957-58, reflected in a fall in supplies. 'Industrial Raw Materials' also showed a rise of 4.4 per cent in contrast to a *decline* of 5.1 per cent in the previous year. 'Manufactures', however, remained relatively stable, showing only a nominal rise of 0.5 per cent.

The index of 'Food Articles', which had touched a low of 100.1 during the week ended February 8, 1958, rose continuously to a peak of 122.0 for the week ended October 18. This rise was partly seasonal but mainly reflected the impact of the 10 per cent decline in the 1957-58 foodgrains output. From October, however, the index started sliding down, mainly on expectations (since materialised) of bumper *kharif* crops. The index declined continuously to 112.2 for the week ended December 27, and after a spurt, due mainly to speculative hoarding in North Indian markets, the index again tended to decline and stood at 112.7 at the end of March 1959. As regards the sub-groups, 'cereals' and 'pulses' which had declined by 4.0 per cent and 7.1 per cent, respectively, in 1957-58, rose by 7.4 per cent and 44.9 per cent, respectively, in 1958-59. All the other sub-groups also registered moderate increases. Among cereals, the largest rise of 35.7 per cent was recorded under wheat, mainly due to a sharp fall in the production of wheat in the *rabi* season of 1957-58. Rice prices, which also rose substantially during the first half of the year, witnessed a sharp decline later, resulting in a net decline of 8 per cent over the year; this was due to the sharp recovery of production in the year 1958-59. Both *jowar* and *bajra* recorded rises of 17.0 per cent and 19.1 per cent, respectively. Sugar showed a sharp increase between April and mid-July but, following the fixation, on July 31, by Government of maximum controlled ex-mill prices in the North, the index tended to lower levels, with only a net rise of 2.5 per cent. As regards *gur*, following the imposition of control over the price of sugar, the price shot up, recording a rise of 22.2 per cent over the year. Owing to good foreign demand, tea prices registered an increase of 3.3 per cent.

'Industrial Raw Materials', which had shown a decline of 5.1 per cent in 1957-58, recorded a rise of 4.4 per cent in 1958-59. The rise was entirely the result of an increase of 13.3 per cent in oilseeds; 'fibres', which is an equally important sub-group, recorded a fall of 1.8 per cent, the fall in jute price being sharper than that in cotton, on account of the substantial increase in output.

The index of prices of 'Manufactures' recorded hardly any net variation. Of the principal constituent items, metals rose by 13.6 per cent, mainly in sympathy with the rise in the prices of non-ferrous metals in the international markets. Chemicals also rose by 11.1 per cent; on the other hand, both cotton and jute manufactures recorded falls of 4.3 per cent and 4.7 per cent, respectively.

**Price Policy.**—In the context of the above, official policy was naturally reinforced to keep prices down. In view of the crucial importance of foodgrain prices

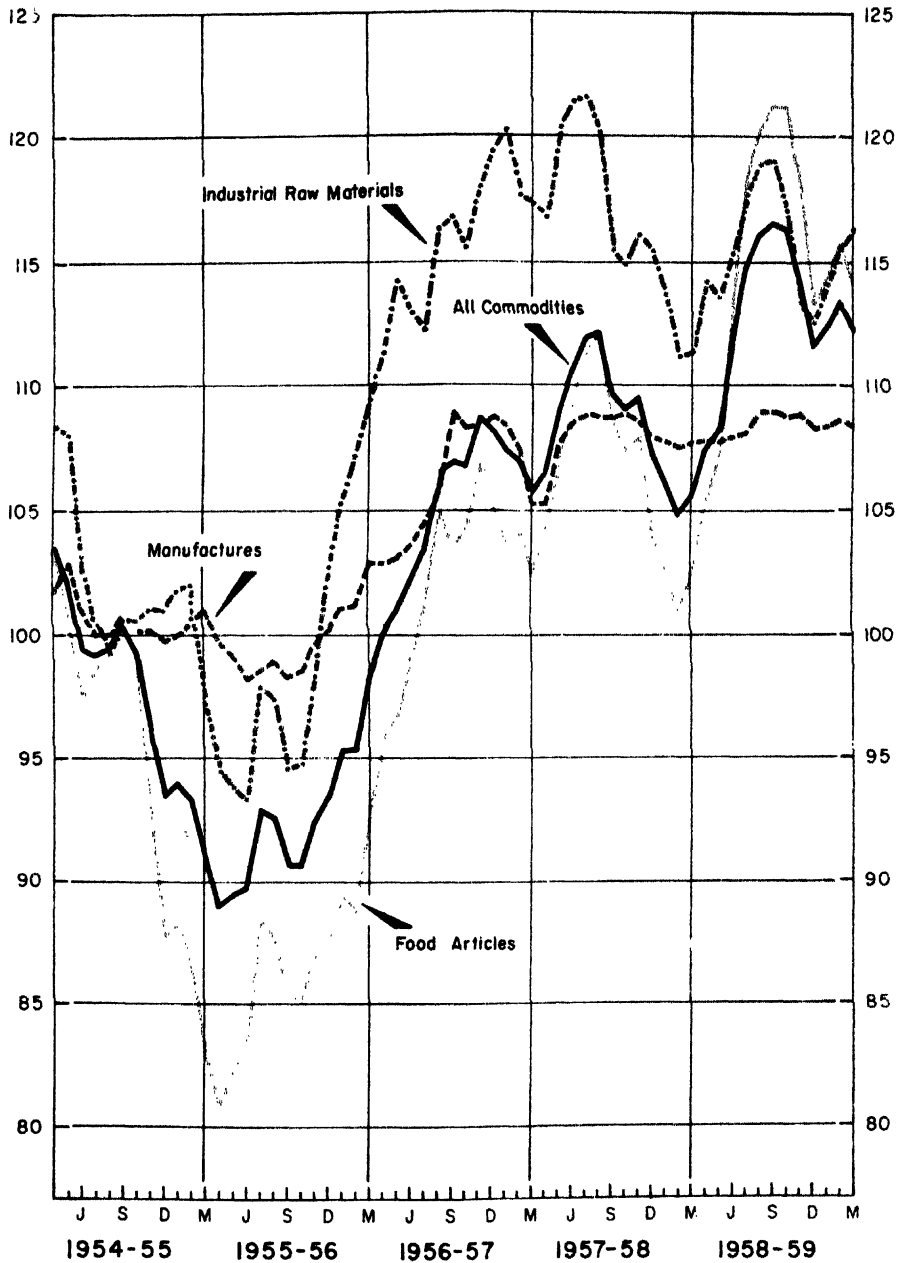
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\*Variations are based on monthly averages.

GRAPH 5

# INDEX NUMBERS OF WHOLESALE PRICES

Base: — 1952-53 = 100



in the general price situation, Government's policy continued to lay special accent on holding foodgrain prices in check. The action taken by the authorities in this sphere included (1) the maintenance of foodgrain imports at a high level, (2) the extension of internal procurement and an appreciable stepping up of Governmental purchases of foodgrains for release through fair-price shops and (3) further measures to curb hoarding and profiteering, including the continuance of selective credit controls and the fixation of maximum controlled prices etc. Partly as a result of these measures and mainly because of the substantial rise in the 1958-59 foodgrains output, the weekly index for food articles, which had touched its peak (122) sometime in mid-October 1958, declined more or less continuously thereafter and stood at 112.7 at the end of March 1959, showing a net decline of about 6 per cent. But this level was still higher by 9 per cent than that a year before and since May 1959, there has again been a rise, the index going up to 120.9 by mid-June.

Imports of foodgrains in 1958 totalled 31.7 lakh tons (comprising 26.7 lakh tons of wheat, 3.9 lakh tons of rice and 1.1 lakh tons of sorghum and corn) as compared to 35.9 lakh tons in 1957. The bulk of the total foodgrain imports during 1958 continued to be received from the U.S.A. under P.L. 480 Programme, while the bulk of the rice imports was received from Burma as part of the five-year agreement signed in May 1956. The arrangements made for food imports included (1) two further agreements with the U.S. under P.L. 480, the first (June 1958) providing for imports of an estimated quantity of 5.8 lakh tons of wheat and 1 lakh tons each of sorghum and corn and the second (September 1958) providing for imports of 28 lakh tons of wheat, 2 lakh tons of sorghum and 1 lakh tons of corn; (2) a barter agreement with the U.S.A. (March 1959) involving the exchange of 4.5 lakhs tons of surplus U.S. grain for Indian manganese, ferro-manganese and "such other materials as may be agreed upon" and (3) two deferred payment agreements with Canada, the first (February 1958) providing for C \$ 25 million for the purchase of 4 lakh tons of wheat and the second concluded in October 1958 for C \$ 8.8 million for purchase of 1.4 lakh tons of wheat.

Internal procurement of rice by the Central Government, which in 1957 had been confined to the States of Andhra Pradesh, Punjab and Orissa, was extended to Madhya Pradesh during 1958. Also, a number of State Governments resorted to purchases of rice and paddy on their own account during the year. With a view to checking the rise in prices and facilitating procurement, the Government of India also fixed maximum controlled prices for paddy and rice in almost all States. The internal purchases of foodgrains by the Central and State Governments during 1958 amounted to 5.7 lakh tons or about twice as large as in the preceding year. This, coupled with the sizeable reserve of stocks built up earlier, enabled the authorities to release larger quantities of foodgrains for distribution mainly through fair-price shops.

The Reserve Bank of India continued to operate selective credit controls to check hoarding of and speculation in foodgrains (see Chapter IV). The Government

of India also banned forward contracts as well as non-transferable specific delivery contracts for the sale or purchase of certain coarse grains and pulses in July; this ban was extended to rice and paddy on March 2, 1959. The provisions of sub-section (3A) of Section 3 of the Essential Commodities Act, 1955, under which the Government can direct any person holding foodgrains in stock to sell the same at prices equivalent to the average market prices prevailing in the preceding three months, were made applicable from time to time in respect of different commodities in various States according to the needs of the situation. Similarly, almost all the State Governments promulgated Orders during 1958, licensing the wholesale dealers and enjoining upon them to maintain daily accounts of their transactions and to file periodical returns regarding stocks, purchases and sales of individual foodgrains. The ban on purchases of indigenous wheat by roller flour mills in the cities of Bombay and Calcutta, as also those in southern States and the States of Bihar and Assam, imposed in 1957, was extended in the course of 1958 to mills all over the country. Further, in order to prevent the sale of imported foodgrains at high prices, the Government of India promulgated on November 1, 1958, the Imported Foodgrains (Prohibition of Unauthorised Sale) Order, 1958, forbidding the sale or storage of any quantity of imported foodgrains, except by an authorized dealer.

In the last year's Report, mention was made of the creation by Government of a rice zone, viz. the Southern Rice Zone (comprising the States of Andhra Pradesh, Madras, Mysore and Kerala), with a view to promoting regional self-sufficiency and avoiding cross movements of rice. A new Rice Zone covering the State of Punjab and the Union territories of Himachal Pradesh and Delhi was created in September 1958. The three Wheat Zones, which were created in June 1957, continued to function but, with effect from February 7, 1959 these were reconstituted into five zones, viz. (1) the State of Punjab and the Union territories of Himachal Pradesh and Delhi, (2) Uttar Pradesh, (3) Madhya Pradesh, (4) Rajasthan and (5) Bombay. 'Exports' of wheat from and 'imports' into any of these zones, with minor exemptions, are not allowed except under a permit issued by the State Government concerned.

As part of their long-term policy in regard to foodgrains, the Government of India announced in November 1958 their decision to introduce State trading in foodgrains, and a provisional scheme for giving effect to this decision was announced on April 2, 1959. The primary objective of the scheme is to maintain prices at a level which is fair to the producer as well as to the consumer and to reduce to a minimum the spread between the prices received by the producer and those paid by the consumer. In the initial stages, State trading will be confined only to rice and wheat and will be conducted on a no-profit-no-loss basis. In order to ensure a minimum price for the producer, the Government will set up an agency for making direct purchases of foodgrains from the producers at controlled prices which will be generally uniform for a whole State or region. The wholesale traders will be permitted to function as licensed traders who will make purchases on their own behalf but only at specified minimum prices to the farmer. The Government will have the right to acquire the whole or a portion of the stocks at controlled prices from the licensed traders who may sell the remaining stocks to the retailers at prices not exceeding the controlled

prices. It is not intended to control the prices of retail transactions now, but an attempt will be made to influence retail prices by increasing the number of fair-price shops and speeding up the formation of consumers' co-operatives. The State Governments may, however, if they so desire, control the retail prices, provided no interruption or dislocation of supplies takes place. The ultimate pattern of State trading in foodgrains is expected to consist of a system which provides for the collection of farm surpluses through service co-operatives at the village level and the channelling of the surpluses through marketing co-operatives and apex marketing co-operatives. Effective steps will also be taken for the development of consumers' co-operatives which will provide the main distributing agency. The Government have decided that, while efforts would be made to speedily evolve this ultimate pattern, more and more of the wholesale trade in foodgrains would be taken over by the co-operatives during the intervening period as they are progressively organised and developed.

During the year under review, one State (viz. Orissa) introduced State trading in rice and paddy at the wholesale level. Under the Orissa Foodgrains Control Order, which came into force on January 1, 1959, the State took powers to procure all surplus stocks of rice and paddy through authorised millers and non-millers who were bound, through agreements, to pay the minimum rates to producers and to sell stocks to Government at prescribed rates. In the rest of the States, the question of evolving a scheme of State trading to suit local conditions was being considered by the State Governments.

Mention may also be made here of the measures taken to check the sharp rise in sugar prices between April and mid-July and in *gur* since July. In sugar, the uptrend which started in April became pronounced following the promulgation by the Government of India of an Ordinance providing for the release of 50,000 tons for export during the season ending October 1958. To curb the rise in prices, the Government fixed the maximum ex-factory prices at Rs. 36 per maund in respect of U.P. and North Bihar factories and Rs. 36.50 per maund in respect of factories in Punjab. Following the imposition of control over sugar prices, *gur* prices rose sharply. The speculative rise in prices was brought to a halt by the decision of the Union Government on February 11, to bring, with immediate effect, forward contracts for the sale or purchase of *gur* within the purview of the regulatory provisions of the Forward Contracts (Regulation) Act, 1952 and to establish regulated futures markets at Hapur, Meerut, Agra, Muzafarnagar and Delhi.

Action was also taken by the Forward Markets Commission during the year to restrain the rise in the prices of oilseeds, especially groundnuts, which soared following the announcement on June 3, 1958 of an export quota after a lapse of 2½ years. The action was in the direction of stiffening the margin system on net outstanding purchases, referred to in the last year's Report. As on April 15, 1959, the margin payable was Rs. 65 per candy if the futures contract rose above the new slab fixed, viz. Rs. 198 per candy, the corresponding margins on the existing three slabs being Rs. 45 on contracts above Rs. 185.50, Rs. 25 on contracts above Rs. 175 and Rs. 15 on contracts above Rs. 165. Similar action was taken on March 13 in respect

of castor seed, the margin fixed being Rs. 15 per candy on contracts above Rs. 165, Rs. 30 on contracts above Rs. 175 and Rs. 45 on contracts above Rs. 185 per candy. Margin was also imposed, for the first time, in respect of linseed contracts on April 1, 1959, the rate fixed being Rs. 3 per cwt., on contracts ruling above Rs. 33 per cwt., Rs. 6 on contracts above Rs. 35 and Rs. 9 on contracts above Rs. 37.

In the case of raw jute, however, Government's efforts were intended to produce an opposite effect, namely to restrain the fall in prices. The jute trade itself took some measures in this direction. These included the 'minimum prices agreement' of the Indian Jute Mills Association for the sale of jute goods (referred to in the last Report), imposition by the East India Jute and Hessian Exchange Ltd. since September of additional margin deposits on net outstanding sales and the recommendation of the IJMA to member mills to increase their stocks of raw jute to four months' requirements. These measures, however, had little effect and the Government of India finally decided in December 1958 to authorise the State Trading Corporation to purchase raw jute through co-operative societies in the principal producing areas, and also to permit, for the first time, after a lapse of ten years, limited quantities of exports through the Corporation, with effect from April 4, 1959. Since December 1958, jute prices have shown a rise of 3.6 per cent, aided among other things, by an improvement in the demand for jute goods.

**Consumer Price Index.**—The movements in the cost of living index were more or less similar to those of the wholesale price index. The All-India consumer price index number for working class (base : 1949 = 100) rose from 110 in March 1958 to 123 in October 1958. Thereafter it declined to 117 at the end of March 1959. Over the year, the index thus recorded a rise of 6.4 per cent as compared to a rise of 2.8 per cent in 1957-58. The annual average of 118 for 1958-59 represented a rise of 5.4 per cent as compared to a rise of 4.7 per cent in the previous year. Region-wise, the index recorded increases in almost all the centres, but the extent of the increase varied from centre to centre. Thus, while the rise was high in Delhi (16.7 per cent), Ludhiana (15.2 per cent), Ahmedabad (14.7 per cent) and Kanpur (11.2 per cent), it was relatively small in Bombay (5.6 per cent). In Calcutta, the index, which had risen from 104 in March 1958 to a high of 116 in October and stood at 110 in December, declined to 105 in January following the fixation by the State Government of maximum prices (both wholesale and retail) of rice, paddy and imported wheat; the index for March stood at 104, showing no net change over the year.

## IV. MONETARY AND BANKING TRENDS

**General.**—Monetary and banking trends during 1958-59 differed in important respects from those of the preceding year. The seasonal variations in money supply and bank credit were much larger than in the preceding year and in the busy season there was a re-emergence of stringent conditions, the expansion of money supply and bank credit assuming large dimensions; this was due in a large measure to increase in agricultural production and the increased tempo of industrial output, but speculative influences were also at work. Over the financial year, however, while the expansion of money supply was larger than in 1957-58 (but less than in 1956-57 and less than half of 1955-56), the expansion of bank credit was about the same as in 1957-58. The expansion of scheduled bank deposits, while being substantial, was only about two-thirds of the preceding year's expansion (the shift to time deposits being even more pronounced); however, the rate of turnover of current deposits of business and individuals recorded a further rise. Of the use of funds, the most conspicuous feature was the very sharp rise in investments in Government securities, the rise being almost twice that in 1957-58; counterpart funds arising from P.L. 480 imports continued to be an important factor in the growth of bank deposits and the gilt-edged portfolio of banks.

The Reserve Bank's credit policy continued to be one of controlled expansion directed towards meeting the genuine credit needs of the productive sectors of the economy, while restraining an undue expansion of credit for speculative and non-essential purposes. The state of ample liquidity in the banking system during the greater part of the year reinforced the need for continued restraint in general. Credit restraint continued to be operated through selective credit controls, the scope of which was further extended to some extent during the year, and also through moral suasion, as in the previous year.

**Money Supply.**—In 1958-59, money supply with the public recorded an expansion of Rs. 109 crores, which was larger than that in 1957-58 (Rs. 76 crores), but smaller than that in 1956-57 (Rs. 129 crores) and 1955-56 (Rs. 264 crores). The expansion in the first three years of the Second Plan thus amounted to Rs. 314 crores or 14.3 per cent. Component-wise, currency with the public rose by Rs. 117 crores and more than accounted for the rise in money supply during the year; the rise in 1957-58 was only Rs. 50 crores and accounted for two-thirds of the expansion in money supply during that year. As a result, the share of currency in total money supply recorded a rise from 67.3 per cent in 1957-58 to 69.0 per cent. The seasonal swings in 1958-59 were more pronounced than in the previous year. As in the previous two years, budgetary deficit in the public sector was the major expansionist factor, but its effect was partly counteracted by a further substantial rise in time deposits of banks and the continued balance of payments deficit, though the incidence of each of these factors was smaller than in 1957-58. The expansionist influence of credit extension by banks to the private sector was about the same as in last year.



## Money Supply with the Public

(Crores of Rupees)

	Variations during the first Plan period 1951-52; to 1955-56	Variations during 1956-57	Percentage variations during 1956-57	Variations during 1957-58	Percentage variations during 1957-58	Variations during 1958-59	Percentage variations during 1958-59	Out-standing as on last Friday of March 1959
1. Currency ...	+ 174	+ 51	+ 3.4	+ 50	+ 3.2	+ 117	+ 7.4	1,724
2. Deposit Money	+ 32	+ 77	+ 11.4	+ 26	+ 3.4	- 8	- 1.2	774
3. Money Supply with the public ...	+ 206	+ 129	+ 5.9	+ 76	+ 3.2	+ 109	+ 4.6	2,498

For purposes of analysis of money supply with the public, the transactions of the public may be grouped under three broad categories, namely, (i) transactions with the foreign sector, as indicated *roughly* by the net changes in the foreign assets held by the Reserve Bank†, (ii) transactions with the banking sector\*, as represented by the credit extension of banks to the public, adjusted for changes in time liabilities of banks and (iii) transactions with the Government. Government's deficit in its transactions with the public is covered by resort to bank credit, which includes not only extension of Reserve Bank credit to Government (which takes the form of the purchase by the Bank of Government securities, mostly *ad hoc* Treasury bills, and grant of loans and advances to Government) but also investments by banks in Government securities,\*\* as well as changes in Government balances.

Of these factors, the Government's budgetary deficit continued to be the chief source of expansion in money supply in 1958-59, but it was considerably smaller than in 1957-58 and only slightly larger than in 1956-57. The budgetary deficit as defined above amounted to Rs. 334 crores in 1958-59 as compared to Rs. 491 crores in 1957-58 and Rs. 309 crores in 1956-57. A feature was the smaller resort to Reserve Bank credit during the year as indicated by the net creation of *ad hoc* Treasury bills amounting to Rs. 123 crores only as against Rs. 461 crores‡ in 1957-58. On the other hand, there was a larger rise in commercial bank credit to Government; banks' investments in Government securities increased by Rs. 175 crores in 1958-59 as compared to Rs. 81 crores in 1957-58.

On the contractionist side, the effect of the balance of payments deficit on money supply was much smaller than in the previous two years. As compared to

†The net change in foreign assets reflects not only the transactions of the public with the foreign sector but also those of the Government. However, it is difficult to isolate the effects of these two sets of transactions. In the analysis presented below, therefore, the contractionist influence of the balance of payments deficit as well as the expansionist effect of the Government's net disbursements could be said to have been equally overstated.

\*Covers scheduled, non-scheduled and State co-operative banks.

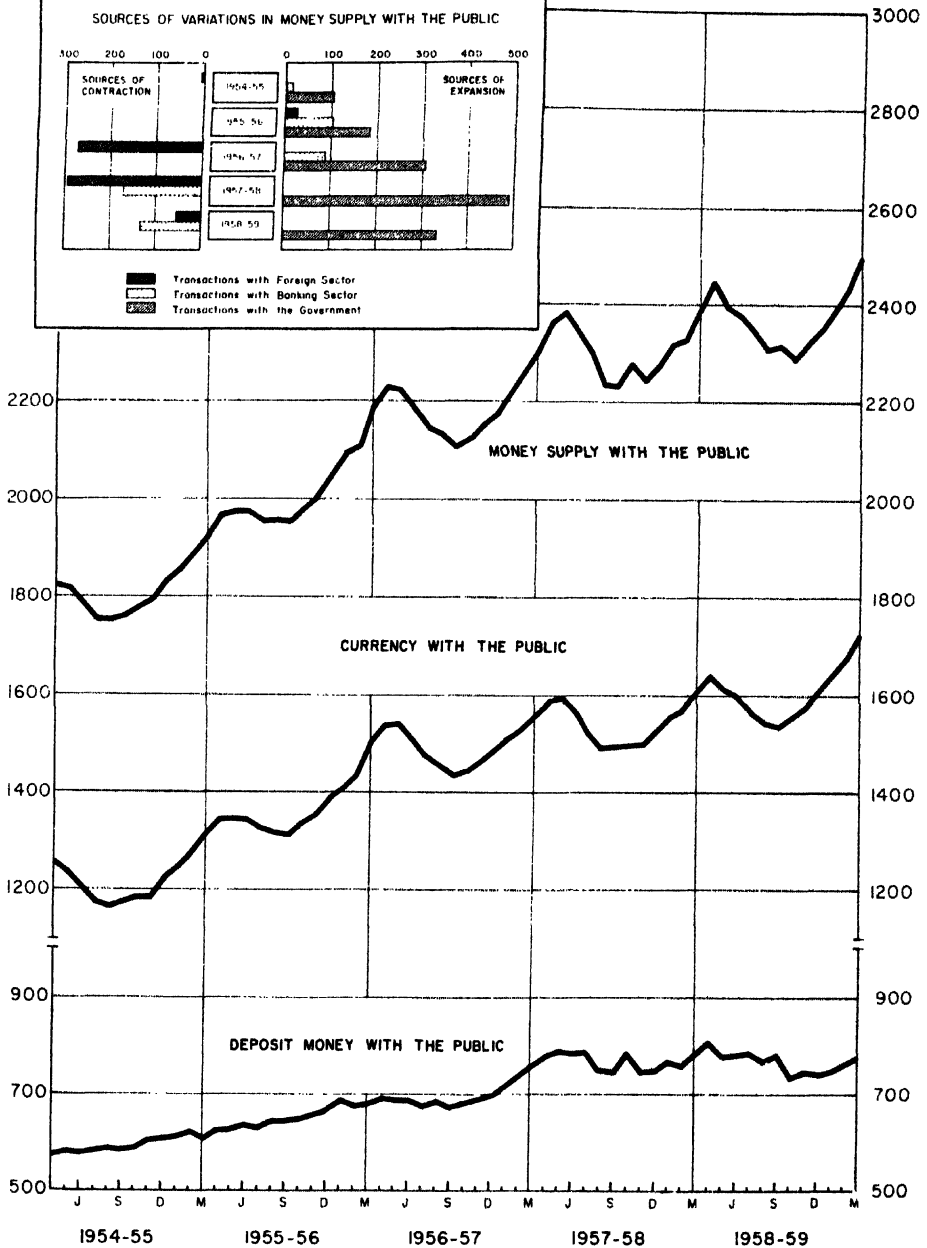
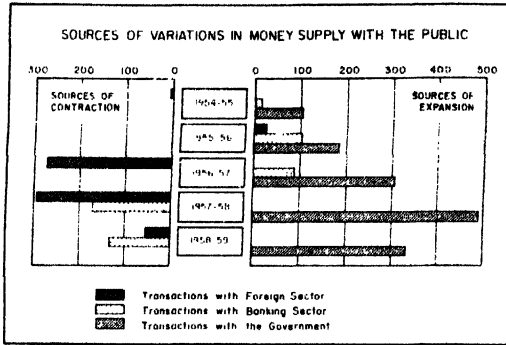
\*\* The variations in Government securities holdings of commercial banks could also arise as a result of transactions with the public. However, in the context of Indian conditions, it may not be in appropriate to treat these broadly as part of variations of bank credit to Government. In any event, an increase of Government securities holdings of banks is a gross expansionist factor, so far as money supply goes.

‡ On Friday to Friday basis.

GRAPH 6

# MONEY SUPPLY WITH THE PUBLIC

( CRORES OF RUPEES )



the substantial payments deficits (as measured by the decline in foreign assets held by the Reserve Bank) of Rs. 274 crores\* in 1956-57 and Rs. 294 crores\* in 1957-58, the balance of payments deficit in 1958-59 was only Rs. 54 crores. Transactions with the banking system also resulted in a smaller decline in the public's net indebtedness to banks than in 1957-58. The expansion in bank credit to the private sector (Rs. 64 crores) was almost the same as in 1957-58, but the rise in time liabilities was smaller (Rs. 195 crores) as compared to that in the previous year (Rs. 238 crores). The net reduction in the public's indebtedness to banks was thus smaller (Rs. 131 crores) as compared to that in 1957-58 (Rs. 171 crores). The rise in time liabilities of banks, as in the previous two years, was to an important extent, associated with the accrual to the U.S. Government's balances in India in terms of U.S. Public Law 480. But, even if the effect of P.L. 480 funds were excluded, the growth of time deposits exceeded the expansion of bank credit in both years, resulting in net reductions in the public indebtedness to banks.

The seasonal swings in money supply in 1958-59 were more pronounced than in 1957-58, mainly because of the considerable mitigation in the incidence of the budgetary and balance of payments deficits which had overborne the seasonal ebb and flow of money supply in 1957-58. In the 1958 slack season†, money supply fell by Rs. 157 crores which was about twice that in the 1957 slack season (Rs. 83 crores), the larger contraction reflecting mainly the sharp fall in bank credit. This contraction, by and large, neutralised the expansion in money supply which had occurred in the 1957-58 busy season (Rs. 167 crores). The incidence of the busy season this year (November 1958 to April 1959) was also more marked mainly because of the sharp rise in bank credit and the emergence of a small balance of payments surplus for the first time since the 1955-56 season; money supply with the public rose by Rs. 289 crores as compared to Rs. 167 crores in the 1957-58 busy season.

**Money Market Trends.**—The trends in *scheduled* bank data during the year conformed to the previous year's pattern of a steep rise in deposit resources coupled with a smaller rate of expansion in credit. Aggregate deposit liabilities increased further by Rs. 184 crores in 1958-59‡ as compared to Rs. 276 crores in the preceding year. The rise was more than accounted for by time liabilities which went up by Rs. 192 crores while demand liabilities declined slightly by Rs. 8 crores; this compared with an increase of Rs. 249 crores in time liabilities and of Rs. 27 crores in demand liabilities during 1957-58. However, during the year, there was a further and a rather sharp rise in the rate of turnover, of current accounts of business and individuals, from 50.2 to 56.0. The accretion of deposits during the year was uneven as between the different banks. The rise in deposits was, to an important extent, on account of P.L. 480 funds accruing to the State Bank of India. As against the sharp rise in deposit resources, bank credit in 1958-59 (April-March) recorded

\* These figures have been arrived at by adding to the variation in the Reserve Bank's foreign assets, India's borrowings from the I.M.F. (Rs. 54.8 crores in 1956-57 and Rs. 34.5 crores in 1957-58).

† For the purposes of seasonal analysis of money supply as well as banking trends, uniformly the six-month period November-April has been taken as the busy season and the period May-October as the slack season.

‡ The data for scheduled banks as at the end of March 1959 are not strictly comparable with those at the end of March 1958 owing to the increase in the number of reporting banks; this, however, does not materially affect the general trend.

a rise of only Rs. 51 crores, which was lower by Rs. 12 crores than the corresponding rise in 1957-58. Consequently, the credit-deposit ratio stood lower at 62.0 per cent on March 27, 1959 as compared to 66.3 per cent a year ago. The surplus resources were utilised by banks mainly for augmenting their holdings of Government securities which rose over the year by Rs. 173 crores as compared to Rs. 93 crores in the previous year, the investment-deposit ratio rising from 30.4 per cent to 37.5 per cent. More than half the rise was accounted for by the State Bank of India which, it has been stated by the Chairman of the Bank, followed the policy of investing P.L. 480 deposits in Government securities. Cash and balances with the Reserve Bank showed a nominal increase of Rs. 3 crores during 1958-59 as compared to a rise of Rs. 17 crores in 1957-58; however, because of the sharp rise in deposits, the cash ratio fell from 7.2 per cent to 6.6 per cent by end-March 1959. Borrowings from the Reserve Bank, which had recorded a substantial decline (of Rs. 61 crores) in 1957-58, recorded a rise of Rs. 20 crores in 1958-59, to meet the requirements of the busy season.

The trend of outflow of short-term funds by Indian and exchange banks from India to London, noticed in the past two years, was reversed during 1958-59 and there was a net inflow of Rs. 4 crores.

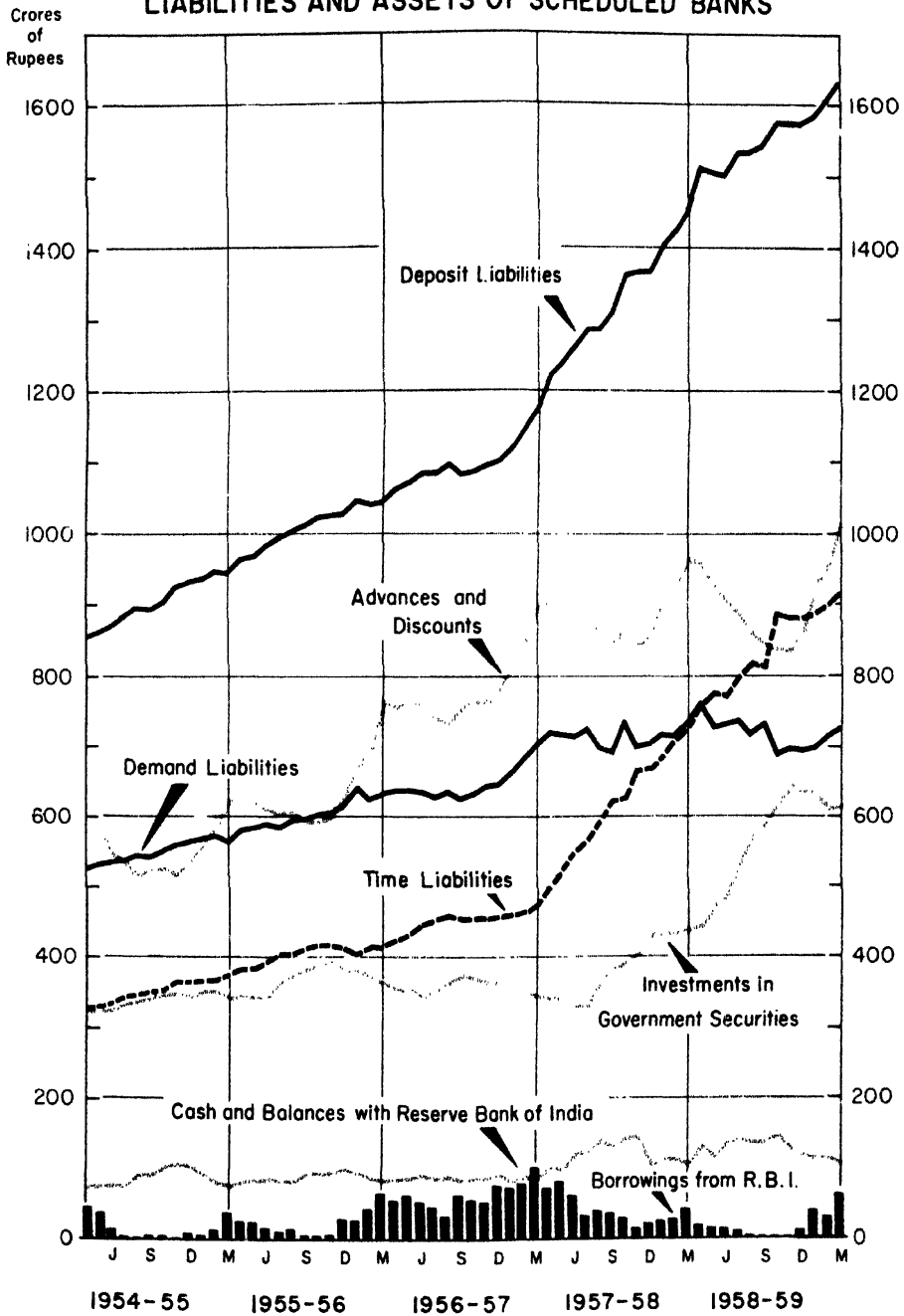
**Slack Season of 1958.**—The contraction in scheduled bank credit during the *slack* season of 1958 (May to October) was more pronounced at Rs. 118 crores, as compared to only Rs. 42 crores in the comparable period of 1957, and followed a comparatively normal expansion of Rs. 89 crores in the preceding busy season. The larger return of funds in the slack season of 1958 reflected the relative slackness in industrial activity, lower imports and the continuation of the overall policy of credit restraint pursued by the Reserve Bank. The growth of deposits, on the other hand, at Rs. 64 crores was less than half of the expansion in the preceding slack season. A conspicuous feature of the assets pattern during this period was the very large rise in investments in Government securities, to the extent of Rs. 175 crores or more than thrice the rise of the previous slack season but the addition to cash was much smaller at Rs. 14 crores.

#### Net Variations in Principal Items of Assets and Liabilities of Scheduled Banks.

	(Crores of Rupees)									
	Financial Year	Slack	Busy	Slack	Busy	Out-				
	1957-58	1958-59	season of 1957 (May-October)	season of 1957-58 (Nov-April)	season of 1958 (May-October)	season of 1958-59 (Nov-April)	standings as on April 24, 1959			
1. Bank Credit ... ..	+ 62.7	+ 50.9	— 41.9	+ 89.4	— 117.9	+ 181.5	1,020.2			
2. Total Deposit Liabilities (Net) ... ..	+ 275.9	+ 183.8	+ 143.0	+ 148.6	+ 64.3	+ 115.9	1,692.3			
3. Borrowings from the Reserve Bank ... ..	— 61.2	+ 19.9	— 42.9	— 9.9	— 17.6	+ 24.9	27.2			
4. Borrowings from the State Bank ... ..	+ 0.1	+ 3.1	— 1.6	+ 0.4	— 3.9	+ 6.2	9.2			
5. Investments in Government Securities ... ..	+ 93.3	+ 172.9	+ 49.7	+ 50.4	+ 174.8	— 3.2	616.1			
6. Cash Reserves ... ..	+ 16.8	+ 2.7	+ 40.2	— 10.7	+ 13.7	— 13.7	132.8			
7. Inflow (+) or out flow (—) of Funds from/to London... ..	— 11.3	+ 3.7	— 7.8	— 0.4	— 2.7	+ 8.9	— 1.8			

GRAPH 7

# TRENDS IN SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED BANKS



**Busy Season of 1958-59.**—As against the moderate increase of Rs. 89 crores in the busy season of 1957-58, the 1958-59 busy season witnessed a substantial expansion of Rs. 182 crores in bank credit. The larger expansion in the 1958-59 busy season was partly due to the absence of a special factor which operated in the preceding busy season to moderate credit expansion, viz. the continued liquidation of imported stocks and the consequent reduction of credit against them. By the beginning of the 1958-59 busy season, these stocks appeared to have been greatly reduced so that further reductions in advances against them did not take place on a large scale; as such, the expansion in advances during the current busy season was mainly against domestic goods such as oilseeds, raw jute, vegetable oils or against general types of securities such as Government securities and shares and debentures of joint stock companies. There was also a revival of demand for credit against iron, steel and engineering goods, indicating increased activity in the engineering sector. However, even allowing for this factor the rate of credit expansion was unduly high, viewed against the general economic background. Since there was cause for apprehension that this expansion was induced to some extent by speculative demand for funds, the Governor of the Reserve Bank issued a circular letter on February 23, 1959 to all scheduled banks requesting them to exercise restraint on further expansion of credit during the busy season of 1958-59 and limit to a minimum their reliance on the Reserve Bank for funds. In March 1959, bank credit moved up further by Rs. 55 crores and borrowings from the Reserve Bank by Rs. 31 crores; in April, however, banks liquidated Rs. 35 crores of their borrowings from the Reserve Bank and expanded their credit by Rs. 7 crores only.

The expansion of deposits (Rs. 116 crores), on the other hand, was smaller than in the 1957-58 busy season, with the result that banks borrowed a net sum of Rs. 25 crores from the Bank and sold a small quantity of Government securities. This was in contrast to the 1957-58 busy season when banks were able to increase sizeably their Government security holdings (by Rs. 50 crores) and reduce their outstanding borrowings from the Reserve Bank (by Rs. 10 crores).

**Money Rates.**—The easiness in money rates, noticed since the latter half of 1957-58, continued upto November 1958 by which time the rates slid to unusually low levels. This was brought about by the sustained growth in deposits with banks and paucity of demand for funds. The call rate among larger banks in Bombay, which ruled at  $2\frac{1}{4}$ - $4\frac{7}{16}$  per cent in October 1957, went down to a low of  $1\frac{3}{16}$  per cent by end-November 1958. The average rate in Treasury Bill auctions (which were resumed towards the end of July), which worked out to 2.57 per cent in August 1958 declined to 2.45 per cent in November 1958 and further to 2.43 per cent in December. However, with the commencement of the busy season, the sharp increase in demand for funds led to a rapid rise in money rates, the call rate among larger banks in Bombay hardening to  $3\frac{1}{8}$  per cent in March 1959, as against  $3\text{-}4\frac{1}{8}$  per cent a year ago. The Treasury bill rate also firmed up to 2.70 per cent by March.

An event of considerable significance in the Indian money market during the year was the voluntary agreement arrived at amongst the more important Indian

and foreign banks fixing ceilings on interest paid on deposits. The agreement became operative from October 1, 1958 and applied to all banks having deposits of Rs. 5 crores or more. Under this agreement, it was decided that no interest would be payable on deposits on call or on notice of less than seven days and that the ceiling rates on time deposits for less than three months and on those for 3 months and over would be  $3\frac{1}{2}$  per cent and 4 per cent, respectively. Similarly, the maximum rate in respect of savings bank accounts was fixed at  $2\frac{1}{2}$  per cent on minimum monthly balance and the maximum amount on which interest would be paid was kept at Rs. 50,000. Inter-bank transactions have been excluded from the purview of the agreement.

**Credit Policy.**—The credit policy of the Reserve Bank continued to be one of restraint and vigilance in view of the underlying inflationary trends in the economy and especially in view of the imbalance between the demand for and domestic supply of foodgrains. There was, however, no change in the Bank rate or other lending rates. The instrument of open market operations was used effectively to absorb the liquid reserves of the banking system. Net sales of securities amounting to Rs. 90 crores were made during the year (see chapter V). The Bank's actions were confined mostly to selective credit regulation and moral suasion. These related to advances against foodgrains, sugar, groundnuts and shares.

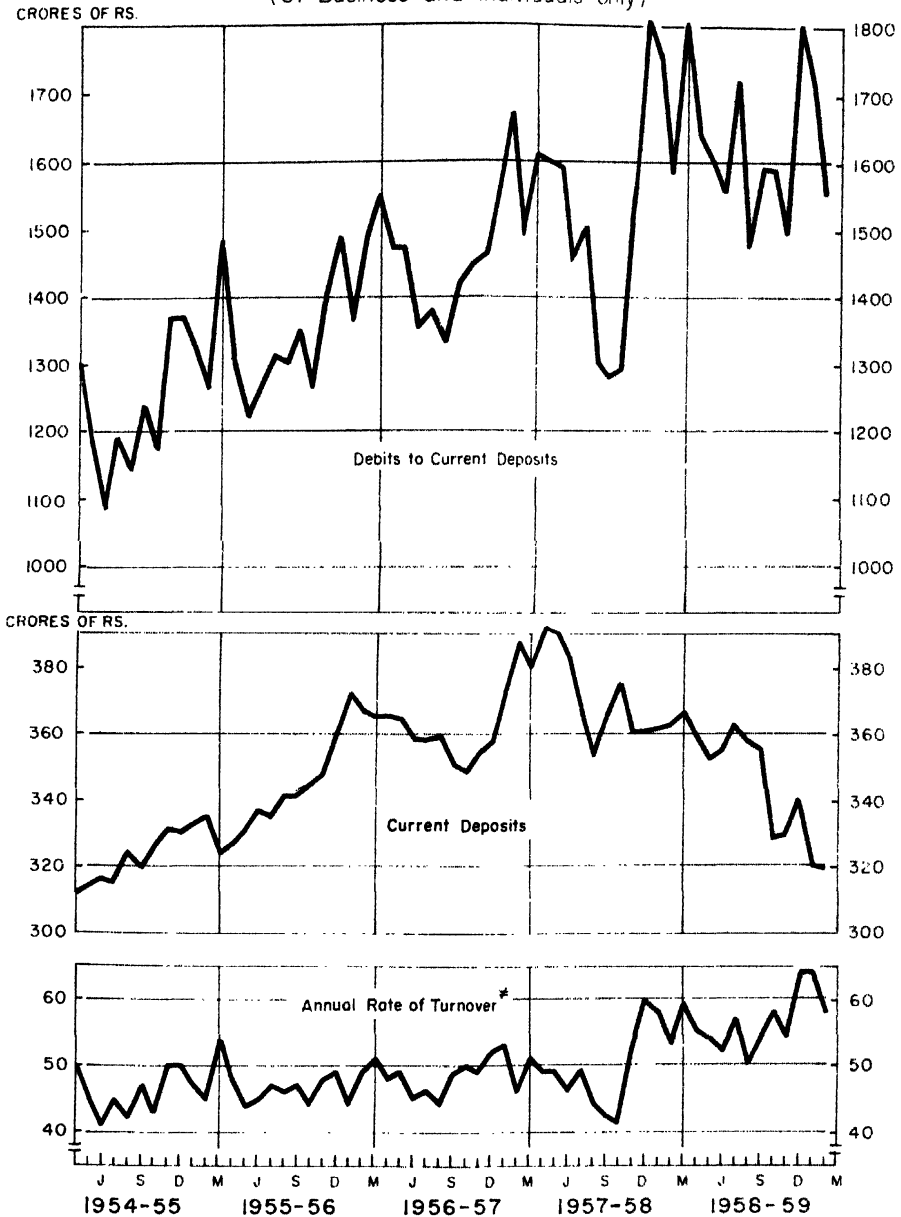
Mention was made in last year's Report of the directive issued by the Reserve Bank, on December 11, 1957, in terms of which banks were asked to maintain each month, commencing from January 1958, an average aggregate level of credit against paddy and rice not exceeding 75 per cent and against wheat (excluding roller flour mills) and other foodgrains not exceeding 80 per cent of the average of similar advances during the corresponding months of 1955, 1956 and 1957, and also to maintain in each month in the States of Andhra Pradesh and Madhya Pradesh a level of advances against paddy and rice not exceeding 60 per cent of the advances in the corresponding months of 1957. The directive had a salutary effect in keeping the expansion of advances against foodgrains much below the permitted levels; the advances barely exceeded Rs. 26.2 crores at the end of May 1958 as against Rs. 42.5 crores a year earlier.

However, since the middle of 1958, a rising trend was discernible in wheat prices in certain areas of the country. Also, it was noticed that bank advances against wheat, especially in the State of Punjab, were much higher than in the corresponding period of last year. In the circumstances, it was considered necessary to impose further restrictions on bank advances against this commodity and in particular against such advances in the State of Punjab. Consequently, on September 10, 1958, a new directive was issued in terms of which the average level of advances from October 1958 against wheat (excluding advances to roller flour mills) were required to be maintained at  $66\frac{2}{3}$  per cent of the average aggregate level in the corresponding month of the previous year. Advances against 'other foodgrains' (excluding wheat) were not to exceed 80 per cent of the level in the corresponding month of last year. The new directive also contained a clause to the effect that actual advances against wheat in the State of Punjab taken separately should also not exceed  $66\frac{2}{3}$  per cent of the level

GRAPH 8

# ANNUAL RATE OF TURNOVER OF CURRENT DEPOSITS OF SCHEDULED BANKS \*

(Of Business and Individuals only)



\* Relates only to offices operating in towns with population of one lakh and over

# The rate of turnover of current deposits during each month is obtained by dividing the total of debits to current deposits during the month by the month-end current deposits. This rate is, however, expressed on an annual basis



in the corresponding month of 1957. No changes were made in regard to advances against paddy and rice in the September directive. Following the directive, advances against wheat to trade declined sharply to Rs. 20 lakhs by end-December 1958 as compared to Rs. 1.4 crores a year ago.

On December 29, 1958 a fresh directive was issued continuing the general structure of restrictions on bank advances against foodgrains, the only change being in the method of prescribing the ceiling limits on advances of individual banks. This directive, which came into operation with effect from January 1959, required that advances against paddy and rice in each month during 1959 be maintained within the levels permitted to individual banks for the corresponding month of 1958, both in the aggregate and in the States of Andhra and Madhya Pradesh. Further, advances by banks against wheat and other foodgrains taken separately for each month were not to exceed their outstanding advances in the corresponding month of 1958, subject to the condition that the average aggregate advances of the offices in Punjab against wheat were not to exceed their outstanding total in the corresponding month of 1958.

The new directive continued to extend the exemptions in regard to advances in respect of demand documentary bills covering the movement of foodgrains, advances against warehouse receipts, advances to roller flour mills against wheat and advances to co-operative marketing and processing societies (exempted with effect from June 3, 1958). The exemption upto Rs. 1 lakh in regard to advances against foodgrains granted in favour of offices opened on or after January 1, 1958 in places within a radius of 20 miles of which there is no other scheduled bank office operating was also continued. The exemption granted in favour of the offices opened after January 1, 1957 was enhanced to three times the ratio of foodgrain advances to total advances of other offices or 15 per cent of the total advances of the new offices, whichever was lower. Previously, the exemption was given only to foodgrain advances of the new offices, which bore the same ratio to their total advances as the foodgrain advances of other offices to the total advances of the other offices provided that this ratio was not higher than 10 per cent. Thus, the restrictive measures were operated in such a manner as not to hamper expansion of branch banking and the increasing use of warehouse facilities.

Some modifications were made in the Bank's control measures in regard to advances against sugar. The June 29, 1957 directive as amended on December 11, 1957 had stipulated a minimum margin of 35 per cent on bank advances against sugar to parties other than 'concerns manufacturing sugar'. In view of the continued rise in prices of sugar in the first half of 1958 and the fairly high level of bank advances against sugar to industry, it was apprehended that some portion of these advances was being used to finance speculative stockpiling of sugar. Consequently, the control on advances against sugar was further tightened and a directive was issued on July 18, 1958, raising the minimum margin requirements for advances against sugar to 45 per cent and bringing within its purview advances to factories, in respect of sugar stocks which had been lifted from the factory premises and on which excise duty

had been paid; other advances to factories were, however, kept free from the margin provision so that manufacturing activity in respect of sugar may not be affected.

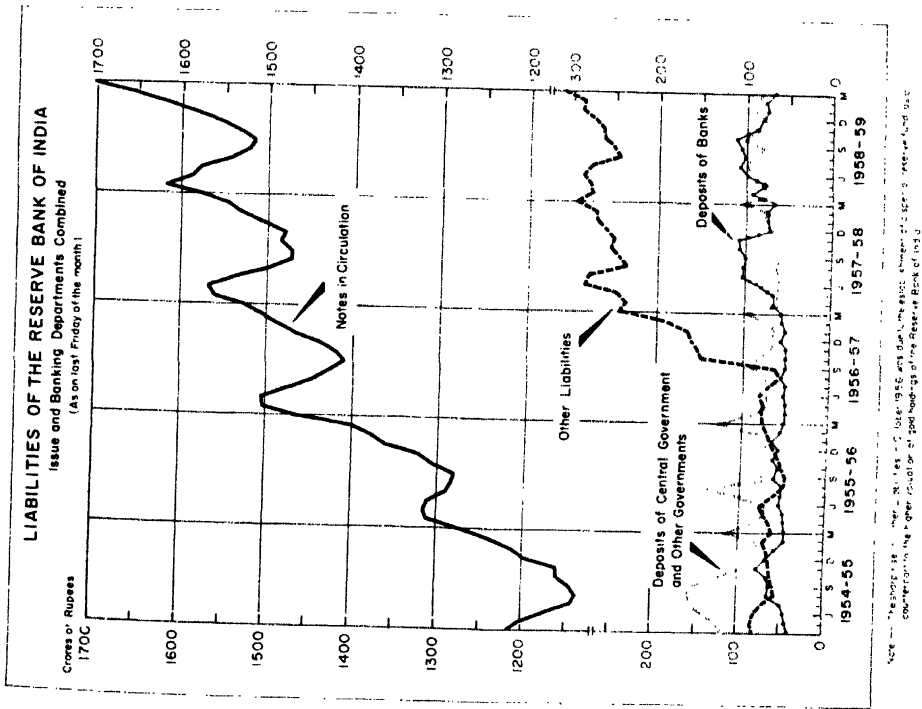
Besides foodgrains and sugar, advances against groundnuts were also subjected to control on February 9, 1959 in order to correct a contra-seasonal and speculative spurt in groundnut prices. In terms of the directive issued on February 9, 1959, every scheduled bank was required to maintain a minimum margin of not less than 45 per cent of the value of the stocks on all credit limits against the security of groundnuts. Credit limits granted in favour of (a) vanaspati manufacturers and (b) persons holding live licences for export of groundnuts were exempt from this provision in order that the directive should not affect exports of groundnuts and production of vanaspati. Further, beginning with March 1959, every scheduled bank was required to maintain the monthly average aggregate level of credit against the security of groundnuts at not more than the level of such credit in the corresponding month of 1957 or 1958, whichever was higher.

The Bank issued a circular in August 1958 directing banks to be cautious in the matter of advances against shares. Further, in November 1958, the Bank called for a special return from banks to enable it to appraise the factual position as regards the role of banks in the financing of *budla* transactions.

The banks generally conformed to the selective credit directives of the Reserve Bank. Thus, the advances of scheduled banks against foodgrains, after the issue of the directive on December 29, 1958, were maintained within the permitted levels and stood at Rs. 20 crores at the end of April 1959 as compared to Rs. 23 crores a year earlier. The directive restricting advances against groundnuts, as already mentioned, was issued only in early February 1959 and banks were required to effect reductions in advances from March 1959. The advances (including bills) were reduced from Rs. 23 crores in the first fortnight of February to Rs. 17 crores in the second fortnight of March; while the reduction was not to the extent required under the directive as banks had made advance commitments, the excess was practically eliminated in April, and in May advances against groundnuts came down below the specified levels. As regards the impact of these measures on prices, while the average of the price index for rice in 1958-59 was at the same level as in the previous year, that of wheat and other foodgrains recorded a steep rise. Similarly the price of groundnuts also spurted up further from February 1959. However, the efficacy of the selective credit controls should not be assessed mainly in terms of their positive influence on prices, since the latter primarily depend on the availability of supply of the relevant commodities relative to demand. The success of these controls is to be judged in a limited sphere, namely, their impact on the pressure of demand *originating from bank credit*; in this sense the measures should be deemed successful; but for their operation it is likely that the price situation might have been somewhat worse.

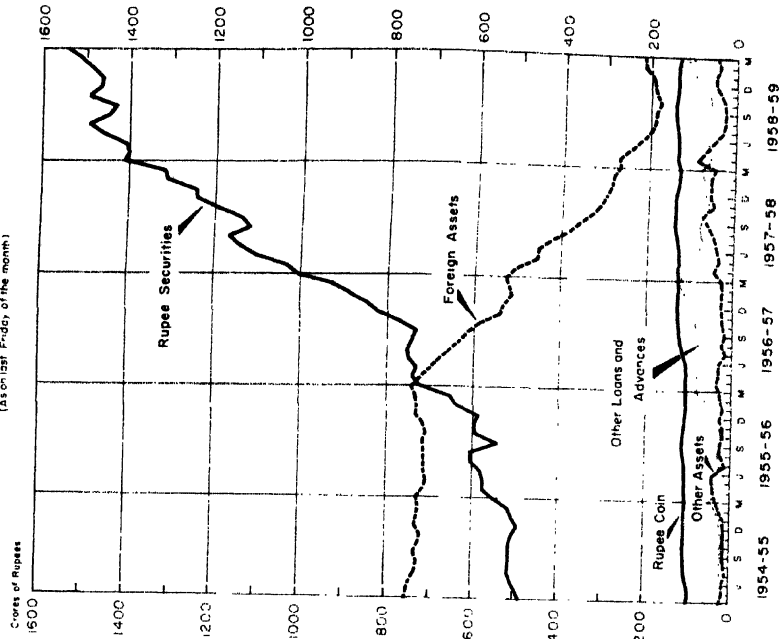
**Other Banking Developments.**—In the field of banking legislation, three Bills, namely, the State Bank of India (Amendment) Bill, 1959, the State Bank of India (Subsidiary Banks) Bill, 1959 and the Banking Companies (Amendment) Bill, 1959

GRAPH 9



### ASSETS OF THE RESERVE BANK OF INDIA

Issue and Banking Departments Combined  
(As on last Friday of the month)



were introduced in Parliament during the last quarter of the year under review. In April 1959, the Reserve Bank of India Act was also amended, providing for the issue of special notes for circulation in certain territories outside India. The provisions of this are briefly explained in Chapter IX.

The State Bank of India (Amendment) Bill, 1959 introduced in Parliament on February 23, 1959 is mainly clarificatory in nature and is intended to remove certain difficulties in the working of the State Bank of India Act, 1955. Among other things, the Bill seeks to simplify the procedure in regard to taking over of the actual business of any banking institution which the State Bank acquires through negotiation in terms of Section 35 of the State Bank of India Act and to make clear that the acceptance of shares of companies with limited liability as a primary security for extension of credit by the bank is not permitted.

The State Bank of India (Subsidiary Banks) Bill, 1959 was introduced in Parliament on March 4, 1959 to give effect to an arrangement in terms of which 8 State Associated Banks viz. the Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of Mysore, the Travancore Bank, the State Bank of Hyderabad, the Bank of Patiala and the State Bank of Saurashtra are to be set up as subsidiaries of the State Bank of India by the majority interest in the capital of these institutions being passed on to that bank. The subsidiary banks will, however, continue to retain their separate entity. The authorised capital of the new banks is stipulated at Rs. 2 crores each in the case of the State Banks of Mysore, Saurashtra and Travancore and Rs. 1 crore each in the case of the other banks. The issued capital is to be of such amount as the State Bank with the approval of the Reserve Bank may fix. Compensation to the present shareholders may be paid wholly in cash or, if the shareholder so applies, partly in shares of the reconstituted bank and the balance in cash. General superintendence of the affairs and business of a subsidiary bank will vest in a Board of Directors who may, with the assistance of the General Manager, exercise all powers and do all such acts and things, as may be exercised or done by the subsidiary bank. Under the Bill, the State Bank is entitled to give directions and instructions to a subsidiary bank in regard to any of its affairs and business and the subsidiary bank is bound to comply with such directions and instructions. The Board of Directors of a subsidiary bank is to consist of (a) the Chairman for the time being of the State Bank ex-officio (b) an officer of the Reserve Bank (c) not more than five directors to be nominated by the State Bank of whom not more than three shall be officers of that bank and (d) two directors to be elected by the shareholders other than the State Bank. The General Manager of the subsidiary bank is to be appointed by the State Bank with the approval of the Reserve Bank. According to the Bill, it is obligatory for a subsidiary bank to act as agent of the State Bank in the transaction of Government business. The subsidiary banks will themselves not be agents of the Reserve Bank but will only function as agents of the State Bank.

The Banking Companies (Amendment) Bill, 1959 was introduced on February 23, 1959. The Bill seeks (1) to enable a banking company to pay dividends on its shares without writing off the depreciation in the value of its investments in approved securities, (2) to introduce some flexibility in regard to the maintenance and use of the reserve fund, (3) to indicate in somewhat greater detail the circumstances in which a licence may be cancelled under Section 22, (4) to provide for inspection by the Reserve Bank of offices of Indian banks outside India, (5) to enable the Reserve Bank to apply for the winding up of a banking company under certain circumstances and (6) to enable the Court to direct the winding up of a company by the High Court in specified circumstances.

An important step taken by the Reserve Bank during the year to widen the credit facilities available to the banking system was the extension of the Bill Market Scheme to export bills, on an experimental basis, for one year with effect from October 1, 1958 with a view to enabling banks to extend credit facilities to exporters on a liberal scale. Scheduled banks, which are eligible to borrow under the Bill Market Scheme and which are authorised dealers in foreign exchange, can avail themselves of advances under the extended Scheme. In order that the Scheme may be of benefit to the smaller exporters also, the minima for the amount to be advanced to a bank at a time and for the amount of an individual usance promissory note to be accepted as a security have been fixed at Rs. 2 lakhs and Rs. 0.20 lakh, respectively, as against Rs. 5 lakhs and Rs. 0.50 lakh in the case of other advances under the Bill Market Scheme. Further, while interest will be charged on these advances at the same rate as is applicable to other advances under the Bill Market Scheme (i.e. at 4 per cent per annum at present), half the amount of stamp duty on the usance promissory notes lodged with the Reserve Bank as security will be borne by the Bank.

During the year, there was a farther liberalisation of remittance facilities. Following the recommendations of the Rural Banking Enquiry Committee, the Government of India, at Reserve Bank's instance, addressed the State Governments to consider raising of limits of drawings at, or on, Treasury agencies in order to impart greater mobility to the movement of funds from one centre to another. In response to this request, nine States raised the limits of drawings at, or on, Treasuries and sub-treasuries from Rs. 25,000 and Rs. 5,000 to Rs. 50,000 and Rs. 10,000, respectively.

**Co-operative Credit.**—The year 1958-59 witnessed further progress in the various spheres of co-operation. The membership of primary credit societies was expected to increase during the year by 1.8 million to 12.0 million, while the total advances (short-term, medium-term and long-term) by the various types of co-operatives were estimated to reach Rs. 140 crores or about Rs. 40 crores more than in the preceding year. Up-to-date data relating to the operations of the primary co-operatives and the central financing agencies are not available as yet. However, data in respect of the operations of State Co-operative Banks are available and these show a rising trend in their resources as well as the credit provided by them. Their net demand and time liabilities (exclusive of borrowings from the Reserve Bank and other banks) increased

from Rs. 36 crores at the end of 1957-58\* to Rs. 41.5 crores at the end of 1958-59\*—an increase of Rs. 5.5 crores as compared to an increase of Rs. 4 crores during the previous year. The advances and inland bills purchased and discounted by the State Co-operative Banks also rose by Rs. 16 crores to Rs. 67 crores at the end of 1958-59\* ; an increase of almost the same magnitude had been recorded in the previous year.

The financial accommodation provided by the Reserve Bank to the State Co-operative Banks continued to show a rising trend, the net outstandings increasing from Rs. 35 crores at the end of 1957-58 to about Rs. 50 crores at the end of 1958-59; an increase of about Rs. 13 crores was recorded in the previous year. In the sphere of *short-term* credit for seasonal agricultural operations and marketing of crops, limits sanctioned to 17 State Co-operative Banks amounted to Rs. 70.85 crores during 1958-59 as compared to Rs. 50.38 crores sanctioned to 18 banks in 1957-58. The gross amount drawn by them also recorded a rise from Rs. 50.23 crores in 1957-58 to Rs. 67.56 crores in 1958-59.

In the sphere of *medium-term* finance, (which is granted for agricultural purposes under Section 17(4A) of the Reserve Bank of India Act at 2 per cent below the Bank rate), the number of State Co-operative Banks to which financial accommodation was granted declined from 14 in 1957-58 to 11 in 1958-59 ; the limits sanctioned rose from Rs. 5.42 crores to Rs. 5.88 crores. The gross amount drawn, however, showed a decline from Rs. 2.99 crores to Rs. 2.68 crores. The amount outstanding at the end of March 1959 was Rs. 4.95 crores as compared to Rs. 3.61 crores a year before.

As regards *long-term* finance, a reference was made in the last year's Report to a scheme drawn up by the Reserve Bank for the floatation by Central Land Mortgage Banks of rural debentures, as also to the Bank's special offer to subscribe to such issues. In the case of the Andhra Central Co-operative Land Mortgage Bank's issue for Rs. 20 lakhs on January 2, 1958, made under the scheme (already referred to in the last year's Report), no contribution was made by the Reserve Bank of India as the Andhra bank was not able to collect sufficient seven-year mortgages. During 1958-59, two Land Mortgage Banks, viz., the Saurashtra Central Co-operative Land Mortgage Bank and the Orissa Central Co-operative Land Mortgage Bank, issued successfully their first series of rural debentures for Rs. 50 lakhs and Rs. 5 lakhs, respectively. The amount subscribed by the public was Rs. 25.89 lakhs in the case of the former and Rs. 2.23 lakhs in the case of the latter; the balance of the issued amount in each case was contributed by the Reserve Bank. Besides, during the year under review, five Central Land Mortgage Banks successfully floated *ordinary* debentures (as distinct from rural debentures) for a total sum of Rs. 348 lakhs as against Rs. 180 lakhs issued by three banks in 1957-58. The Reserve Bank's contribution to these issues amounted to 1 per cent in 1958-59 as compared to 7 per cent in the previous year.

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\* As on last Friday. The figures relate to the State Co-operative Banks maintaining accounts with the Reserve Bank of India.

The scheme of rural debentures was modified in the light of the recommendations made at the meeting of the Central Land Mortgage Banks and the Registrars of Co-operative Societies convened specially for this purpose by the Reserve Bank of India on August 21, 1958. Under the modified scheme, the proposals by the Central Co-operative Land Mortgage Banks of Andhra and Madras for an issue for Rs. 20 lakhs each and by the Saurashtra Central Co-operative Land Mortgage Bank for a second series for Rs. 30 lakhs have been approved.

The Reserve Bank also continued to provide short-term advances to State Co-operative Banks for non-agricultural purposes. A credit limit of Rs. 2 crores was sanctioned during 1958-59 at the Bank rate under Section 17(4) (c) for meeting the working capital requirements of six co-operative sugar factories; the limit sanctioned during the previous year was Rs. 3.30 crores. The amount drawn against the limit was Rs. 1 crore and was fully repaid during the year.

Short-term advances to State Co-operative Banks for financing handloom weavers' societies at the Bank rate under Section 17(2)(a) for purchase of yarn showed an increase from Rs. 29.20 lakhs in 1957-58 to Rs. 48 lakhs in 1958-59. The amount outstanding at the end of March 1959 was Rs. 24 lakhs as compared to Rs. 8 lakhs a year earlier. Further, under Section 17(2)(bb), credit limits aggregating Rs. 2.36 crores were sanctioned to 12 State Co-operative Banks at  $1\frac{1}{2}$  per cent below the Bank rate for financing the production and marketing activities of the handloom weavers' societies, as compared to Rs. 1.80 crores sanctioned to 5 State Co-operative Banks in 1957-58. The amount drawn by them was Rs. 1.74 crores as against Rs. 49 lakhs drawn by four State Co-operative Banks in the previous year. At the end of March 1959, the amount outstanding was Rs. 1.69 crores as compared to Rs. 49 lakhs at the end of March 1958.

A further contribution of Rs. 5 crores to the National Agricultural Credit (Long-term Operations) Fund was made by the Reserve Bank during 1958-59, raising the amount to the credit of the fund as on June 30, 1958 to Rs. 25 crores. During the year ended March 1959, loans to the extent of Rs. 6.05 crores were sanctioned by the Reserve Bank to 13 States for contribution to the share capital of co-operative credit institutions, as compared to Rs. 6.07 crores sanctioned to 14 States in 1957-58. Of the total amount sanctioned, Rs. 2.64 crores were accounted for by large-sized credit societies, Rs. 2.06 crores by Central Co-operative Banks, Rs. 77 lakhs by the State Co-operative Banks and Rs. 57 lakhs by the Central Land Mortgage Banks. However, the amount actually drawn by the State Governments during 1958-59 for these purposes was Rs. 5.74 crores as against Rs. 5.83 crores in the previous year. Further, the Reserve Bank contributed Rs. 1 crore to its National Agricultural Credit (Stabilisation) Fund, raising the amount to the credit of the Fund to Rs. 3 crores as on June 30, 1958.

The National Development and Warehousing Board continued to provide financial assistance during the year in pursuance of its programme in the sphere of

co-operative credit, marketing, processing, etc., which was expected to involve a financial outlay of the order of Rs. 7 crores. In respect of warehousing, the Central Warehousing Corporation set up warehouses at three places, viz., Moga (Punjab), Chandausi (Uttar Pradesh) and Kozhikode (Kerala), bringing the total number of warehouses established to ten. All the States have now Warehousing Corporations, eight of them having established 41 warehouses so far. The share capital of these Corporations is expected to be further augmented during the year by about Rs. 1 crore, to be subscribed equally by the Central Warehousing Corporation and the State Governments.



## V. CAPITAL MARKET

**General.**—Conditions in the capital market, in the year under review, continued to reflect the slackness in the rate of growth of the economy that set in during the preceding year. While available data on investment in the private sector are neither up-to-date nor comprehensive, the indications are that it tended to be at a lower level than in 1957-58, though, towards the close, there was some evidence of a pick up of activity. Corporate saving would also appear to have declined during the year, particularly in certain sectors like cotton textiles. Available data in respect of about 600 relatively large companies indicate that in 1958-59, nearly a half of these reduced their dividend distribution. The capital raised in the new issue market, according to preliminary official data, showed some decline in 1958. Statistics of the working of capital issues control, which relate to *consents* (and not to capital actually *raised*), also showed a similar trend in 1958.

While, thus, the volume of investment and new issue activity appeared to have slackened, there were signs of a distinct revival of investor confidence during the year, as reflected in a very good response to such of the issues as were made as well as in a sizeable rise in share values after the decline noticed in the preceding year. The revival of investor confidence was aided, among other things, by (1) the various measures taken by the Government to assist industries generally and especially such of them like cotton textiles as were passing through difficult times, (2) the prospects (since materialised) of substantial foreign aid, (3) the generally optimistic view taken in regard to the future of industries and a feeling that equities would be a good hedge against inflation in view of (a) the scale of deficit financing budgeted for 1959-60 being larger than what was envisaged in the November 1958 reappraisal of the Plan and (b) the outlay of Rs. 10,000 crores mentioned in the discussions relating to the Third Plan and (4) the prevalence of distinctly easy money conditions during the greater part of the year. The Reserve Bank's all-India general index of variable dividend industrial securities rose during the year by 16 per cent in contrast to a fall of 13 per cent in 1957-58. The gilt-edged market also evinced a firm tone during the greater part of the year; the Reserve Bank's index for Government of India securities rose by 2 per cent during the year as against a decline of 0.8 per cent in 1957-58.

The institutional set-up for providing finance to industry was further strengthened during the year. One more financial corporation, viz. the Mysore State Financial Corporation was established during the year, bringing the total number of State Financial Corporations so far established under the State Financial Corporations Act 1951 to 12. The Industrial Finance Corporation of India diversified its activities by underwriting, for the first time, a new issue and also by guaranteeing deferred payments in respect of some cases involving import of machinery and equipment from abroad. The Industrial Credit and Investment Corporation of India Ltd., also expanded its activities and disbursed, for the first time, loans in foreign currencies. The Refinance Corporation for Industry Private Ltd., for providing

relending facilities against medium-term loans by banks to medium-sized industries in the private sector was, as mentioned in the last year's Report, established on June 5, 1958. Upto March 31, 1959 the refinance assistance sanctioned by the Corporation amounted to Rs. 2.4 crores. As regards small-scale industries, the Pilot Scheme of the State Bank of India was extended to cover all centres in the country at which the State Bank has branches.

**Government Securities Market.**—The gilt-edged market raved quite firm, aided chiefly by the easy money conditions which prevailed during the greater part of the year, the bulk of the rise in prices taking place in the first half of the year, which largely coincided with the slack season. The announcement on April 10, 1958 of the Union Government's decision to float, during mid-May, three new cash-cum-conversion loans for a total amount of Rs. 135 crores was well received by the market as the terms offered were generally in line with its expectations. The new floatations did not cause any undue strain on the market's resources. Consequently, the market remained in good form in May and June. In July, ten State Governments entered the market for new loans and the response to these loans was highly encouraging. In the previous year, it will be recalled, most of the State Governments had not entered the market for new loans mainly because of the prevailing monetary stringency. Notwithstanding the new issues, the demand for Government securities continued to persist, and scarcity of stocks was reported in some short and medium dated issues. In August, the Union Government announced two new loan issues, namely, the  $3\frac{1}{2}$  per cent 1968 and a further issue of the  $3\frac{1}{2}$  per cent National Plan Bonds 1967, both of which were taken up initially by the Reserve Bank on its own investment account, for being made available for sale through the usual procedure for the sale of special issues at prices to be ascertained from the Bank. In September, the market remained generally firm but, from about the close of that month, with the advent of the busy season and the re-emergence of stringent money conditions, activity tapered off. The undertone, however, remained generally firm during the rest of the year with selective demand from institutional buyers in the context of a paucity of floating stocks.

The strong and persistent demand for Government securities, which characterised the gilt-edged market practically throughout the year, enabled the Reserve Bank to make substantial net sales of Government securities amounting to Rs. 90 crores in 1958-59 (including sales against its purchase of the two loans issued by Government in August 1958 for Rs. 60 crores), as compared to net sales of Rs. 87 crores\* in 1957-58. Scheduled banks added to their portfolio of Government securities Rs. 173 crores as compared to Rs. 93 crores in 1957-58; to a considerable extent, these purchases represented investments in Government securities by the State Bank of India of the funds accruing to it on account of the operation of P.L.480. The substantial sales were made at progressively rising prices in a wide range of securities, as in the previous year.

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\*This includes transactions on the Central Government's Cash Balance Investment Account.

State loans were also in keen demand by institutional investors and recorded widespread and substantial gains, the 4 per cent 1967 and 1968 and the new  $4\frac{1}{4}$  per cent 1970 and 1971 Loans being specially favoured.

*Over the year, among the short-dated loans, the maximum rise of Rs. 2.80 was recorded by the 3 per cent 1964 Loan. Among the medium and long-dated loans, the 3 per cent 1970-75 Loan, which had declined by Rs. 1.23 last year, gained as much as Rs. 4.86 this year. The new 4 per cent 1973, the  $3\frac{1}{2}$  per cent 1963, the  $3\frac{3}{4}$  per cent 1968 and the  $3\frac{1}{2}$  per cent 1968 Loans, issued during the year, were quoting above their issue prices by Rs. 1.65, Rs. 1.20, Rs. 1.10 and 45 nP., respectively, by the end of March 1959. The irredeemable 3 per cent Conversion Loan of 1946, which had declined by Rs. 3.42 in the preceding year, recovered partially by Rs. 3.07 to Rs. 74.09. The Reserve Bank's average index for Government of India Securities (base 1952-53 = 100) rose over the year from 98.3 to 100.5, representing a net rise of 2.2 per cent as against a net decline of 0.8 per cent in 1957-58. State loans also participated in the general upswing, the price rises in them ranging upto Rs. 3.80 in the case of  $2\frac{3}{4}$  per cent 1961 Madras and U.P. Loans. The new  $4\frac{1}{4}$  issues of all the State Governments were quoting at the year-end at a premium which ranged between Rs. 2 and Rs. 2.80.*

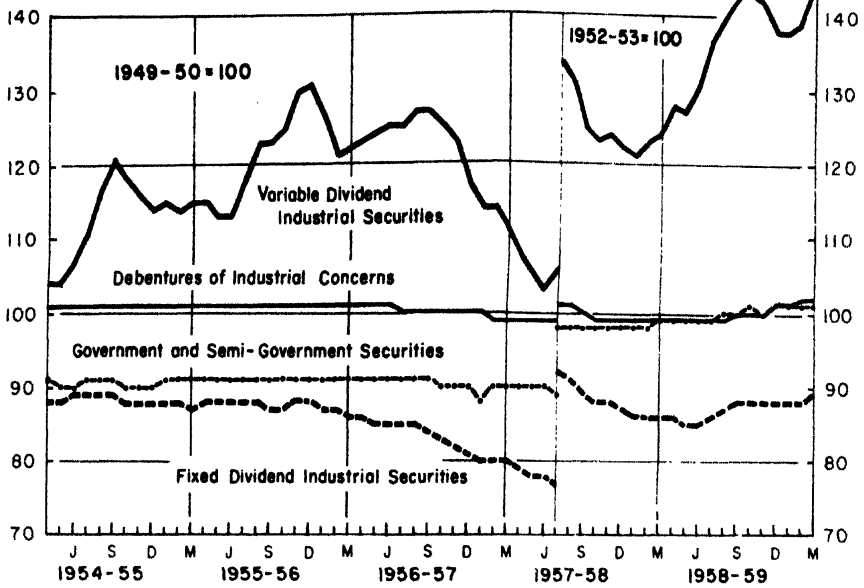
Consequent on the substantial price increases recorded during the year, the yields on Government securities declined appreciably. The yields of short-dated issues declined on an average by about 0.30 per cent and those of medium and long-dated issues by about 0.15 per cent. The sharpest decline took place in the yield of the 3 per cent Loan 1970-75, from 4.45 to 3.98. The 3 per cent Conversion Loan fetched a yield (flat) of 4.05 per cent at the end of March 1959, as against 4.23 per cent a year before. In the case of State loans also, the yields declined by about 0.30 per cent.

**Industrial Securities Market.**—The recovery in share prices, noticed during the last quarter of last year, was carried further during 1958-59. There was an almost continuous rise upto the end of September 1958, the Reserve Bank's index for variable dividend industrial securities (base : 1952-53 = 100) rising from 126.6 at the end of March 1958 to 144.7 at the end of September 1958; this may be compared with a low of 119.7 touched early in January 1958. Thereafter, share prices eased temporarily to 136.1 early in January 1959, but subsequently moved up again to close for the year at 146.8. Over the year, there was a net rise of 16 per cent, in contrast to a *fall* of 13 per cent in 1957-58 and of 9 per cent in 1956-57. The aggregate net rise in share prices since January 1958 amounted to 22.6 per cent.

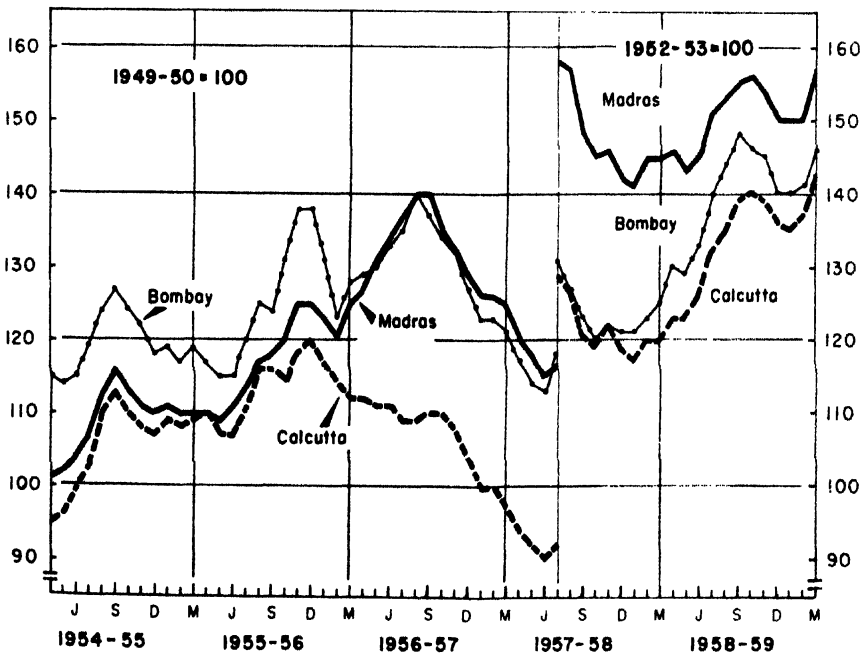
The recovery noticed since the beginning of 1958 became more pronounced after the presentation of the budget for 1958-59. The absence of any major tax proposals in that budget, the suspension of the compulsory deposit scheme for the year 1958-59, the reliefs in excise and export duties and several measures of export promotion announced by Government brought about a distinct change in market

GRAPH 10

# INDEX NUMBERS OF SECURITY PRICES ALL-INDIA



## VARIABLE DIVIDEND INDUSTRIAL SECURITIES REGIONAL



psychology. The market also reacted favourably to the changes in import policy for the period April-September 1958. The Finance Minister's reference, on April 22, to deficit financing, the magnitude of which he placed at Rs. 1,200 crores for the entire Second Plan (the same as originally envisaged in the Second Plan) as against Rs. 900 crores indicated by his predecessor, also aided sentiment. In May 1958, there was a spell of easiness due partly to labour troubles in the steel industry and partly to apprehensions of further additional taxation of Rs. 100 crores in the next two years, as envisaged in the Planning Commission's memorandum submitted to the *Lok Sabha* in early May, but this proved short-lived and share prices soon resumed their upswing which continued upto the end of September 1958. Sentiment was chiefly aided by the more optimistic view taken by the market regarding the prospects of foreign aid, the further relief in the excise duty on cloth announced on July 3, the recommendations contained in the Textile Enquiry Committee's Report released on July 28, and the upward revision in the retention prices of cement from July 1. Company news during this period was also favourable and there were bonus issues by some leading companies. Furthermore, the money market ruled extremely easy, with a downward adjustment in money rates and yields on Government securities. Towards the close of August, market sentiment was bearishly affected by reports regarding Reserve Bank's circular of August 25 to scheduled banks stressing the imperative need for scrupulously avoiding advances against block shares or finance to parties known to be speculatively inclined, but their effect proved short-lived.

Between October and December 1958, share prices evinced a generally easy tendency which was partly in the nature of a corrective to the sustained rise recorded since January 1958. The easiness was also attributed in part to the Finance Minister's statement in Bombay on November 11 discounting any relief in taxation and to apprehensions arising from the issue by the Reserve Bank on November 7 of a circular to scheduled banks in Bombay and Calcutta, calling for data relating to their transactions in connection with the *budla* operations on the stock exchanges. Reports regarding 'incidents' on the Indo-Pakistan border also contributed to the easy tone of the market. The Finance Minister's statement in the *Lok Sabha* on November 28 on the Life Insurance Corporation's investment policy was well received, but his reference to the inevitability of increased taxation in a fast developing economy in his speech before the Associated Chambers of Commerce, Calcutta, on December 5, was reported to have created a feeling of nervousness. Later, on December 15, equities experienced a 'shake-out' as a sequel to the publication of the Congress Working Committee's six point austerity programme, envisaging, among other things, control of profits in the private sector.

However, with the turn of the year, a more cheerful tone was again in evidence. Sentiment was bullishly influenced by the firmness in the bullion and commodity markets, reported purchases of equities by the Life Insurance Corporation, improvement in the country's foreign exchange reserves and the Prime Minister's statement, on January 3, 1959, ruling out ceiling on urban incomes. The rise in share prices was, however, restrained by the usual pre-budget uncertainties, and there was also a minor setback following the Forward Markets Commission's severe warning, on

February 10, against excessive speculation in the commodity markets. But following the presentation of the Union Government's Budget on February 28, the market again turned distinctly bullish, equities registering a sharp rise on a wide front. There was a general satisfaction in market circles regarding the absence of any substantial measure of additional taxation. In particular, sentiment was enlivened by the abolition of the excess dividend tax and the wealth tax on companies. There was a short spell of hesitancy due mainly to the prevailing uncertainty regarding the precise implications of the proposed changes in company taxation, but this proved short-lived. Sentiment was helped by favourable company news and the Finance Minister's assurance in the *Rajya Sabha* on March 10 that he would try to remove any anomalies that might arise from the revision of company taxation.

Over the year, as already mentioned, the Reserve Bank's all-India average index of variable dividend industrial securities (base : 1952-53 = 100) recorded a net rise of 16 per cent as against a net decline of 13 per cent in 1957-58. Region-wise, the Calcutta market, which had recorded the largest decline of 14.9 per cent in 1957-58, registered the highest rise of 19.8 per cent in 1958-59. The Bombay market showed a rise of 15 per cent and the Madras market of 8.5 per cent, as against declines of 7.5 per cent and 12.6 per cent respectively, in the previous year.

Reflecting the operation of special factors governing individual industries, movements of prices of the various groups and sub-groups revealed wide divergences. Industry-wise, with the notable exception of cotton textiles which showed a net decline of 3 per cent, all the other industries registered net gains over the year. The rise was more pronounced in jute textiles (54 per cent), due mainly to the decline in raw jute prices and the relative firmness of the jute goods market. Iron and steel rose by about 30 per cent, sentiment in this group being aided by the completion or near-completion of the expansion schemes of the two major producers in the private sector. The indices of coal, transport equipment, chemicals, paper, trading and investment trusts rose by 20-30 per cent, and those of plantations and banks by 10-20 per cent. Sentiment in the coal section was aided by the raising of the price of coal and coke in May 1958 and Government's decision in September 1958 to allow export of 2 lakh tons of metallurgical coal.

As regards fixed dividend industrial securities, the indices for both preference shares and debentures registered net increases during 1958-59 as against net declines in the previous year. The index for preference shares rose by 5 per cent to 89.7 and that for debentures by 2.6 per cent to 101.5 ; there were declines of 11.2 per cent and 1.8 per cent, respectively, in 1957-58.

Yields\* on industrial securities, which had tended to harden in the preceding two years, recorded declines during 1958-59. The yield on debentures declined over the year by 0.15 per cent to 4.05 per cent and that on preference shares by 0.40 per cent to 5.75 per cent. In the case of variable dividend industrial securities, the decline in

\*The yields referred to here are free of income-tax.

yields was rather more pronounced, being of the order of 1.43 per cent at 5.81 per cent; in 1957-58, there was a rise of 1.19 per cent. On a comparison of the prices and yields indices compiled by the Reserve Bank, it would appear that the decline in yields this year was due mainly to the rise in share prices and partly to the lower dividend distributions, particularly in the cotton textiles and plantation industries. Among the sub-groups, the fall in yields was the largest in plantations (4.91 per cent), followed by decreases of about 2.20 per cent each in the case of mining and oil, and general engineering. The sub-groups shipping and other transport, cotton textiles, jute textiles, iron and steel, paper, chemicals and coal recorded declines ranging from 1 to 2 per cent. The decline in yield in the case of sugar was only 0.21 per cent due to higher dividend distributions. As against these, the cement sub-group actually registered a rise of 0.18 per cent due mainly to higher dividend distributions accompanied by a smaller increase in share prices. Regionwise, the decline in yields was more marked at Calcutta (1.80 per cent) and Madras (1.72 per cent); the Bombay region showed a much smaller decline of 0.62 per cent.

**The Securities Contracts (Regulation) Act, 1956.**—In the Report for 1957-58, a reference was made to the grant of recognition by the Union Government to five stock exchanges, one each at Bombay, Ahmedabad, Calcutta, Madras and Delhi. During 1958-59, the Government granted recognition to two more stock exchanges, namely, (1) the Hyderabad Stock Exchange and (2) the Share Brokers' Association, Indore. The recognition for both these stock exchanges has been granted for five years in the first instance.

**Capital Issues.**—In the new issue market, although activity was somewhat lower than in 1957-58, the response to a number of important 'new' issues during the year was very good, some of them being heavily oversubscribed.

According to preliminary official data, the amount of capital raised (as distinguished from capital issues consented) by companies in the private sector (*i.e.* excluding Government companies and also bonus and miscellaneous issues) was smaller at Rs. 46 crores in 1958 as compared to Rs. 65 crores\* in 1957. The preliminary figure for 1958 is likely to be revised upwards; even so, it seems likely that the amount of capital raised in 1958 will have been smaller than that in 1957.

Data relating to 'consents' granted by the Controller of Capital Issues in 1958 would also seem to confirm the above broad conclusion. These data show that during 1958, the amount 'consented' (and not actually raised) in respect of companies in the private sector (*i.e.* excluding Government companies and also bonus and miscellaneous issues) was lower at Rs. 66 crores as compared to Rs. 77 crores in the preceding year. This fall of Rs. 11 crores was entirely accounted for by initial issues (*i.e.*, issues by new companies) which at Rs. 18.5 crores were only about half the level in 1957. On the other hand, consents for further issues (*i.e.*, issues by existing

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\*Revised.

companies) rose by Rs. 6.7 crores to Rs. 47.8 crores in 1958. A feature of the consents to the private sector in 1958 was the appreciable rise in the consents for debentures, their share in total consents to the private sector (*i.e.* excluding Government companies and also bonus and miscellaneous issues) rising from Rs. 9.1 crores (12 per cent) in 1957 to Rs. 16.3 crores (25 per cent) in 1958. Foreign participation in the total 'consents' granted to the private sector (*i.e.* excluding Government companies but including bonus and miscellaneous issues) in 1958 was lower at Rs. 12.5 crores as against Rs. 41.2 crores in 1957, but this was mainly because there were no consents on account of loans from World Bank during 1958; consents for such loans had amounted to Rs. 29.6 crores in 1957.

The Controller's data relating to the first quarter of 1959 showed that the amount 'consented' in respect of companies in the private sector (*i.e.* excluding Government companies and also bonus and miscellaneous issues) recorded an appreciable rise to Rs. 45.0 crores as compared to only Rs. 15.1 crores in the preceding quarter and Rs. 11.8 crores in the corresponding quarter of 1958. Foreign participation involved in these 'consents' granted to the private sector during January-March 1959 was also much higher at Rs. 20.5 crores as against Rs. 2.9 crores in the preceding quarter and was accounted for mainly by the U.K. Of the Rs. 20.5 crores, as much as Rs. 14 crores was accounted for by the Burmah Oil Company of the U.K. in respect of Oil India (Private) Ltd.

**Working of Finance Corporations.**—During 1958-59, loans sanctioned by the *Industrial Finance Corporation of India* amounted to Rs. 6.91 crores in respect of 22 industrial concerns as compared with Rs. 9.06 crores in respect of 32 concerns during the preceding year. Since its inception in July 1948 upto March 31, 1959, the Corporation had sanctioned loans amounting to Rs. 64.34 crores in respect of 287 applications. Of this amount, about two-thirds were in respect of new industrial undertakings (*i.e.* factories that went into production after August 15, 1947) and the balance in respect of established undertakings.

Although loans sanctioned in 1958-59 were lower than in the preceding year, it is of interest to note that the uptrend in disbursements has continued. Loans disbursed during 1958-59 aggregated Rs. 8.34 crores as compared to Rs. 7.93 crores in 1957-58, Rs. 7.86 crores in 1956-57 and only Rs. 2.17 crores in 1955-56. Thus, of the total disbursements of Rs. 40.37 crores since the inception of the Corporation, as much as Rs. 24.13 crores (60 per cent) were disbursed during the last 3 years (1956-59).

During the year, the Corporation underwrote, for the first time, jointly with two other financial institutions, the issue of 6½ per cent (subject to tax) redeemable and convertible debentures for Rs. 1.60 crores by a borrower concern from whom a loan of Rs. 45 lakhs was outstanding and, in fulfilment of the underwriting obligations, the Corporation subscribed to the debentures to the extent of Rs. 65.85 lakhs (inclusive of the loan of Rs. 45 lakhs). The Corporation also agreed to underwrite, to the extent of Rs. 37.5 lakhs, a proposed issue, by another concern, of 7½ per cent (tax-free) cumulative redeemable preference shares.



The Corporation also, for the first time, approved, with the prior consent of the Central Government, three schemes for the guaranteeing of deferred payment to the extent of Rs. 3.68 crores in respect of machinery and equipment to be imported from abroad. The industries concerned were paper and rubber.

To cope with its expanding activities, the Corporation augmented its resources to the extent of Rs. 4.38 crores through the issue of 4½ per cent Bonds, 1968 in November 1958, the issue price being Rs. 99 per cent; in November 1957, the Corporation had raised Rs. 4.56 crores through the issue of 4½ per cent Bonds, 1967 at Rs. 99 per cent. The total amount of bonds outstanding as of March 27, 1959 was Rs. 16.75 crores. Of the total provision of Rs. 22.25 crores made in the Second Plan as loans to the Corporation by the Central Government, the Corporation had, by March 31, 1959, utilised a sum of Rs. 13.0 crores. In addition to this, the Government of India have assured the Corporation further loan assistance of the order of Rs. 10 crores out of the P.L.480 funds. The Corporation's outstanding borrowings from the Reserve Bank of India in terms of Section 21(3)(b)\* of the Industrial Finance Corporation Act stood at Rs. 0.94 crore as of March 27, 1959 as compared to *nil* a year earlier.

The amount of loans sanctioned by *State Financial Corporations*@ also showed a further rise to Rs. 4.99 crores as compared to Rs. 4.78 crores in 1957-58. Disbursements, however, were lower at Rs. 3.33 crores as compared to Rs. 3.69 crores in the preceding year. The total amount of loans and advances outstanding at the end of March 1959 stood at Rs. 11.36 crores—an increase of Rs. 1.96 crores over that of March 1958. Loans and advances constituted 48.8 per cent of the total assets at the end of 1958-59 as against 48.4 per cent a year ago.

During the year, three corporations viz., Uttar Pradesh, Bihar and Madras issued bonds, the total amount offered being Rs. 2.50 crores.

Name of the Corporation	Date of Issue	Details of Issue	Issue Price (per cent)		Amount Offered	Amount outstanding as on March 26, 1959
			Rs.	nP.	(Rs. crores)	(Rs. crores)
Bihar	Sept. 1958	4½ % 1968	98.00		1.00**	1.00
Uttar Pradesh	Oct. 1958	4½ % 1968	99.00		0.50**	0.55
Madras	Oct. 1958	4½ % 1968	99.00		1.00	1.00

\*In terms of this Section, the IFCI is empowered to borrow from the Reserve Bank for fixed periods not exceeding 18 months, upto a maximum of Rs. 3 crores in the aggregate at any time, against securities of the Central Government of any maturity or against bonds and debentures issued by the Corporation and guaranteed by the Central Government and maturing within 18 months from the date on which money is borrowed.

@This does not include the Mysore State Financial Corporation which was established on March 30, 1959 but did not commence operations in 1958-59.

\*\*The corporations had, however, reserved the right to retain subscriptions received in excess of the amount offered upto specified limits.

This brings the total amount of bonds outstanding in respect of State Financial Corporations to Rs. 6.12 crores on March 26, 1959.

Reference was made in last year's Report to the agency arrangements in operation in the States of Uttar Pradesh, Andhra Pradesh and Bombay, under which the financial corporations in these States act as agents of their respective State Governments for purposes of channelling the concessional finance provided by Governments to small-scale industries. During the year under review, similar agency arrangements were established in the State of Punjab.

On March 30, 1959 a financial corporation for the Mysore State was established, thus bringing the total number of corporations so far established under the State Financial Corporations Act, 1951, to 12. With the establishment of a corporation in the Mysore State and including the Madras Industrial Investment Corporation Ltd. which (although registered under the Companies Act) functions on the lines of a State Financial Corporation, all the States, with the exception of Jammu and Kashmir, now have a financial corporation each.

The expansion in the activities of the *Industrial Credit and Investment Corporation of India Ltd.* noticed in 1957 continued during 1958. The Corporation approved in 1958 assistance, both in domestic and foreign currencies, in respect of 16 companies for a total of Rs. 3 crores, of which rupee assistance in the form of loans, guarantees, underwriting of, and direct subscriptions to, shares and debentures accounted for Rs. 1.57 crores in respect of 10 companies and foreign currency loans for Rs. 1.43 crores in respect of 6 companies. The amount of loans disbursed during the year was Rs. 2.08 crores, of which disbursements, for the first time, of loans in foreign currencies (U.S. dollars) amounted to Rs. 22 lakhs in respect of three companies. The total amount disbursed by the Corporation since its inception in 1955 upto the end of 1958 aggregated Rs. 6.14 crores.

Total financial assistance which the Corporation had agreed to make available since its inception in 1955 upto the end of 1958, amounted to Rs. 13.37 crores\* as compared to Rs. 11.65 crores by the end of 1957 and Rs. 6.01 crores by the end of 1956. Of the assistance of Rs. 13.37 crores sanctioned, Rs. 6.64 crores was in the form of loans, Rs. 5.50 crores in respect of underwriting of shares and debentures and Rs. 1.23 crores in the form of direct subscriptions to shares. Of the total loans sanctioned upto the end of 1958, rupee loans accounted for Rs. 3.48 crores and loans in foreign currencies for Rs. 3.16 crores. Financial assistance provided by the Corporation was thus more or less equally balanced as between loan assistance in rupees and foreign currencies on the one hand, and underwriting operations and investment in shares and debentures on the other.

\* Excluding applications sanctioned but subsequently withdrawn by applicants or not proceeded with for other reasons.

Underwriting operations by the Corporation registered a marked improvement during 1958. The Corporation completed during the year 6 underwriting operations for a total of Rs. 2.18 crores (as compared to 5 operations for a total of Rs. 93 lakhs during 1957) and the Corporation was called upon to take up Rs. 45 lakhs (20.6 per cent of the sum underwritten) as compared to Rs. 58 lakhs (or 62.4 per cent) in 1957. Since its inception and upto the end of 1958, the Corporation has completed 15 underwriting operations, involving an amount of Rs. 4.88 crores of which it had to take up Rs. 1.77 crores or 36 per cent, the balance having been subscribed by the public.

The industries benefiting from the Corporation's assistance so far cover a wide range and include paper, chemicals, pharmaceuticals, engineering, sugar, rubber, textiles, cement, automobiles and electrical goods industries.

With increased demands for assistance, the need was felt for augmenting the Corporation's foreign currency resources as well as its rupee resources. In this connection mention may be made of (1) an agreement entered into between the Government of India and the U.S. Technical Co-operation Mission on May 21, 1959 providing for an allotment of Rs. 10 crores to the Corporation as loan out of the new P.L.480 funds and (2) grant to the Corporation in July 1959 of a further loan by the World Bank of \$ 10 million.

Reference was made in the last year's Report to the registration, on June 5, 1958, of the *Refinance Corporation for Industry Private Limited* for providing relending facilities against medium-term loans given by banks to medium-sized industrial concerns for the purpose of increased production, primarily in industries included in the Second Five-Year Plan and succeeding Plans.

Of the authorised capital of Rs. 25 crores, comprising 2,500 shares of Rs. 1 lakh each, the Corporation issued, during the year, shares of the face value of Rs. 12.5 crores, contributed jointly by the Reserve Bank of India, the Life Insurance Corporation of India, the State Bank of India and 14 other larger scheduled banks. Of this, 10 per cent was paid on application and a further 10 per cent on allotment, thus making an initial paid-up capital of Rs. 2.5 crores. In terms of the agreement entered into by the Corporation with the Government of India on June 21, 1958, the Government have agreed to lend to the Corporation an amount not exceeding Rs. 26 crores representing the counterpart funds for its refinancing operations. Of this Rs. 26 crores, the Corporation had, upto end-March 1959, availed of a sum of Rs. 5 crores.

Conditions for qualifying for refinance by the Corporation have been referred to in detail in the last year's Report. Briefly, loans to be eligible for refinance must be for (i) a concern whose paid-up capital and reserves (other than reserves for the payment of taxes and normal depreciation reserves) are not less than Rs. 5 lakhs and do not exceed Rs. 2½ crores, (ii) amounts not in excess of Rs. 50 lakhs to any one party and (iii) periods between 3 and 7 years. Since its inception in June 1958 upto the end of March 1959, the Corporation received 8 applications for refinance from 4 member banks all of which were sanctioned; the amount sanctioned was

slightly lower at Rs. 2.43 crores as against Rs. 2.48 crores asked for. In considering the scale of operations of the Corporation it may be noted that the effective period of operations covered here is only about 6 months having regard to the fact that it took a few months for the Corporation to attend to essential preliminaries and the Corporation started receiving applications only from September 1958. The borrowing industries included ferro-manganese, cotton textiles, cement, pharmaceuticals, electrical goods and engineering. Of the Rs. 2.43 crores sanctioned, only Rs. 0.20 crore was actually drawn by end-March 1959. This, however, does not mean that the schemes themselves have not made a start. The Chairman of the Corporation, in his speech at the First Annual General Meeting, stated that, in most cases, plant and machinery had been either ordered or were in the process of erection, the banks having provided the finance, partly or wholly, against sanctioned amounts from out of their own resources pending completion of the necessary legal formalities before drawing sums from the Corporation. The Corporation charges interest at 5 per cent per annum on its loans to member banks. The rate charged by member banks, in turn, on loans granted by them to industrial concerns should be at least  $1\frac{1}{2}$  per cent above the rate charged by the Corporation but should not exceed the rate normally charged by other local financial agencies like the Industrial Finance Corporation, the Industrial Credit and Investment Corporation of India Ltd. and the State Financial Corporations (in the case of the last, for loans upto Rs. 10 lakhs). Thus, the rate of interest payable by borrowing industrial units is usually  $6\frac{1}{2}$  per cent. The Corporation keeps itself in close touch with the Industrial Credit and Investment Corporation of India Ltd., with a view to ensuring that their combined resources are utilised effectively for the benefit of the country's economy.

*The National Industrial Development Corporation,\** set up by the Government of India in October 1954, for securing a balanced and integrated development of industries in the country—in both the public and the private sectors—continued to concentrate its efforts mainly on the promotion and development of projects relating to (a) the manufacture of industrial machinery in the field of heavy engineering and (b) some crucial industrial materials like raw film, aluminium and synthetic rubber and primary intermediates for the drug, dyestuff and plastic industries.

The Corporation also functions as an agency of the Government for the grant of loans to any industry which the Government desire to assist. Initially, such a scheme of assistance covered loans to the jute and cotton textile industries for purposes of modernisation and rehabilitation. Government have since decided to include loans to units manufacturing machine tools also, under this scheme. Upto June 30, 1958, the Corporation had received applications for loans from jute mills involving Rs. 8.41 crores, of which Rs. 3.38 crores were sanctioned. Applications for loans from cotton mills aggregated Rs. 27.43 crores of which Rs. 3.05 crores were sanctioned. Upto March 1959, a sum of Rs. 3.25 crores had been drawn by the Corporation from Government and disbursed. The loans granted by the

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\* For details please see Report on Currency and Finance for 1954-55.

Corporation are repayable in not more than fifteen equal annual instalments. Interest is charged at the rate of  $7\frac{1}{2}$  per cent per annum but the Corporation may charge interest at 5 per cent if instalments of principal and interest are paid by the due dates.

Mention may be made here of a new scheme of financial assistance introduced by the Corporation in June 1959 with a view to speeding up the pace of modernisation of jute and cotton mills through short-term aid for installation of new machinery and for replacing old and worn out machinery. Under this scheme, which is applicable only to purchase of indigenous machinery, any cotton textile or jute mill desirous of installing new machinery manufactured within the country, may deposit 25 per cent of the cost of such machinery with the Corporation and the Corporation will make available the requisite machinery to the applicant mill. The balance of the cost of the machinery is required to be repaid in five equal annual instalments including interest at 6 per cent per annum.

**Financing of Small-scale Industries.**—Development of small-scale industries continues to be an integral part of Government's industrial policy. Financial assistance by way of loans and grants to State Governments in this behalf has been steadily increasing. The amount of such assistance sanctioned and released to the State Governments rose from Rs. 3.08 crores in 1956-57 to 3.84 crores in 1957-58, and further to Rs. 4.34 crores in 1958-59. For 1959-60, the amount estimated is Rs. 4.70 crores. The State Governments, in turn, have extended financial assistance by way of loans to small-scale industries through the Department of Industries under the State Aid to Industries' Act. During the last three years as a whole, loans aggregating Rs. 6-7 crores have been disbursed by State Governments to over 12,500 small industrial units and over 400 industrial co-operatives.

There is a growing recognition that the requirements of small-scale industries should be increasingly met by institutional financing agencies like the State Financial Corporations, the State Bank of India and commercial and co-operative banks. In this connection, mention has already been made of the arrangements in certain States, under which Government loans are routed through the respective State Financial Corporations. It may be noted here that the State Financial Corporations also advance loans to small-scale industries from out of their own resources, the amount of such loans sanctioned as at the end of March 1959 being Rs. 3.08 crores.

Reference was made in previous Reports to the Pilot Scheme instituted by the State Bank of India at selected centres for the co-ordinated provision of credit to small industrial units. The scheme, which was in operation only at 36 centres at the end of March 1958, was extended during the year to cover all the centres (over 500) at which the State Bank of India has branches. Other important measures taken by the State Bank with a view to making the 'pilot scheme' more effective included (1) fixation of the rate of interest on advances granted to small-scale industries at an all-inclusive rate not exceeding 6 per cent, (2) decision to grant, in appropriate cases, medium-term advances for expansion or renovation for periods not exceeding 7

years and (3) enlargement of the list of commodities against which advances may be granted by the Bank. By the end of March 1959, the State Bank had sanctioned at the 'pilot' centres, 826 loans for an aggregate limit of Rs. 2.62 crores as against 275 loans for an aggregate limit of Rs. 1.15 crores at the end of March 1958.

A reference was made in the last year's Report to the finalisation of a scheme by the State Bank of India, in consultation with the *National Small Industries Corporation*, under which small-scale industrial units, securing Government or other orders through the auspices of the Corporation could obtain an advance for the full value of the raw materials pledged to the Bank, such portion of the loan in excess of what the Bank would have normally advanced being guaranteed by the Corporation. This scheme has since come into force, effective January 1, 1959. The guarantee is limited to Rs. 25,000, in respect of each individual unit and the overall limit of the guarantee is restricted to Rs. 30 lakhs.

Besides direct financial assistance, small-scale industries are also being helped by making available to them modern and up-to-date machinery under easy instalment payment system. Under a scheme evolved in this behalf and operated by the *National Small Industries Corporation*\* which was established by the Government of India in February 1955, the applicants pay only 20 per cent of the value of the machines as earnest money for general purpose machines and 33½ per cent for special purpose machines. The balance of the cost of the machines is payable in half-yearly instalments spread over a period not exceeding eight years. For machines whose value does not exceed Rs. 2,000 the amount of earnest money is reduced to half of the above limits. The rate of interest charged is 4½ per cent in respect of any machine valued upto Rs. 15,000 and 6 per cent if the value exceeds Rs. 15,000. In the case of industrial co-operatives, these rates are, respectively, 3½ per cent and 5 per cent. Since the inception of the scheme in 1956 upto March 1959, the total number of applications accepted by the Corporation aggregated 1,510 involving 5,439 machines valued at Rs. 4.67 crores. Of these, orders were placed for 3,596 machines valued at Rs. 3.24 crores, while 2,234 machines valued at Rs. 1.84 crores were delivered.

\* For details regarding this Corporation, refer to the Reports for 1954-55, 1955-56 and 1957-58.

## VI. BULLION MARKET

**General.**—During 1958-59, bullion prices showed a further substantial rise, both gold and silver soaring to levels close to their all-time highs. In gold, the average price for 1958-59 was higher than that for 1957-58 by 3.3 per cent and in silver by 3 per cent. The range of price variations widened from Rs. 9.87 in gold and Rs. 18.87 in silver during 1957-58 to Rs. 16.31 in gold and Rs. 23.56 in silver during 1958-59.

The rise in prices, which occurred mainly in the busy season of the year, reflected the growing pressure of demand which stemmed partly from the bumper agricultural crops, in the context of a tight supply position which was further accentuated by the reported reduced arrivals of smuggled gold and Tibetan silver coins. Factors contributing to reduced arrivals included (1) the stricter vigilance exercised by the Customs authorities to check smuggling, (2) the establishment of the military regime in Pakistan in October 1958 which led to some abatement in the inflow of contraband gold from the Gulf *via* Pakistan, (3) the ban imposed by the Chinese Government on the export of Tibetan silver coins and (4) strong rumours (since materialised) of possible official action in respect of Indian currency in circulation in the Persian Gulf Area with a view to checking smuggling.

Abroad, the movements in international gold and silver prices continued to be confined to a narrow range. In the London gold market, for example, the range of variation was smaller than in 1957, being 2s-2½d. as compared to the previous year's range of 2s.-6½d. In silver, the spread between the high and low points in the New York market was less than 3 cents.

In 1958, world gold production (excluding the USSR) rose by 2.7 per cent from 29.4 million fine ounces to 30.2 million fine ounces. Soviet production is estimated by Samuel Montagu & Co. at a little over 17.5 million ounces—about the same as that in South Africa. On the demand side, there were reports of an increase in world interest in gold for hedging against a possible increase in the dollar price of gold; this demand is stated to have risen sharply from only 1.5 million ounces in 1957 to 8 million ounces in 1958. As against this, the hoarding demand is estimated to have fallen from 7.5 million ounces in 1957 to 4 million ounces in 1958. The turnover in the London gold market, it is reported, dropped by about 25 per cent during the year as there was a considerable falling-off in the operations of European Central banks in connection with the EPU monthly settlements. In March 1959, the London gold market was given blanket permission to undertake forward transactions in gold; however, for the time being, no formal forward market in gold is permitted to be established. Soviet gold sales in 1958 have been estimated at about 6 million ounces as compared to 7.5 million ounces in the previous year. In the London gold market, prices ranged between 248s-8½d and 250s-11d per ounce.

The price stability in world silver, noticed in the past several years continued, with price fluctuations restricted to an extremely narrow range. As in the previous years, the market continued to be dominated mainly by the U.S. Treasury's policy under the silver legislation as well as the silver policy of the Bank of Mexico. In the

*New York market, the average price for 1958 (89.04 cents) was somewhat below that for 1957 (90.82 cents). In the London market, prices ranged between 74½d. and 78½d. per ounce.*

During 1958, world silver production (excluding communist dominated countries) increased from 199.0 million ounces in 1957 to 204.7 million ounces in 1958—a rise of approximately 3 per cent. World consumption of silver, in contrast, is estimated to have declined by 13 per cent from 289.4 million ounces in 1957 to 250.5 million ounces in 1958; in 1957, it had increased by about 8.5 per cent. Arts and industries consumed 11 per cent less (187.4 million ounces) than in 1957 (210.2 million ounces). This decline was almost entirely accounted for by the U.S.A. and India; the decline in consumption in India was attributed to reduced arrivals of Tibetan silver coins. The coinage consumption declined by 20 per cent from 79.2 million ounces to 63.1 million ounces, virtually the entire decline being accounted for by the U.S.A.; the coinage consumption in the U.S.A., which had risen from 31.2 million ounces in 1956 to 51.4 million ounces in 1957, declined in 1958 to about 36.2 million ounces.

In India, the downtrend in domestic production of gold noticed since 1955 continued during 1958, the output falling from 179,182 ounces in 1957 to 170,109\* ounces in 1958; it was 239,168 ounces in 1954. The decline was mainly attributed to the low grade of the ore mined and temporary suspension of operations due to labour troubles in May. Since June 1958, with a view to strengthening the country's gold reserves, the Union Government are acquiring the entire production of the Mysore gold mines, which had hitherto been allowed to be sold in the free market. Silver production, which had risen from 104,604 ounces in 1956 to 125,838 ounces in 1957, also declined to 110,006\* ounces in 1958. The absence of Mysore gold tenders, reduced arrivals of smuggled gold following the stricter vigilance exercised by the Customs authorities and reduced arrivals of Tibetan silver coins resulted in an acute shortage of floating stocks which, in the context of an unusually heavy demand, partly seasonal, exerted a strong upward pressure on prices. Over the year, the ready rate in gold recorded a substantial rise of Rs. 8.97 from Rs. 111.31 to Rs. 120.28 per tola@. In silver, the rise was smaller, being Rs. 4.19 from Rs. 195.75 to Rs. 199.94 per 100 tolas. The price trends\*\* in gold and silver are noticed below in some detail.

**Gold Prices.**—In the gold market, the general upswing in prices, noticed since the beginning of 1958, continued during April and the early part of May, the ready rate rising from Rs. 111.31 on March 31 to Rs. 114.75 on May 10. With the advent of the slack season, a downtrend set in. A contributory factor was the Bombay High Court's decision, on May 19, declaring the provisions contained in Section 178A of the Sea Customs Act in so far as they related to gold *ultra vires* the Constitution; this decision, it was believed, would provide further impetus to smuggling activity.

\* Figures are provisional. @1 tola=3/8 oz. i.e. 3 ozs. = 8 tolas.

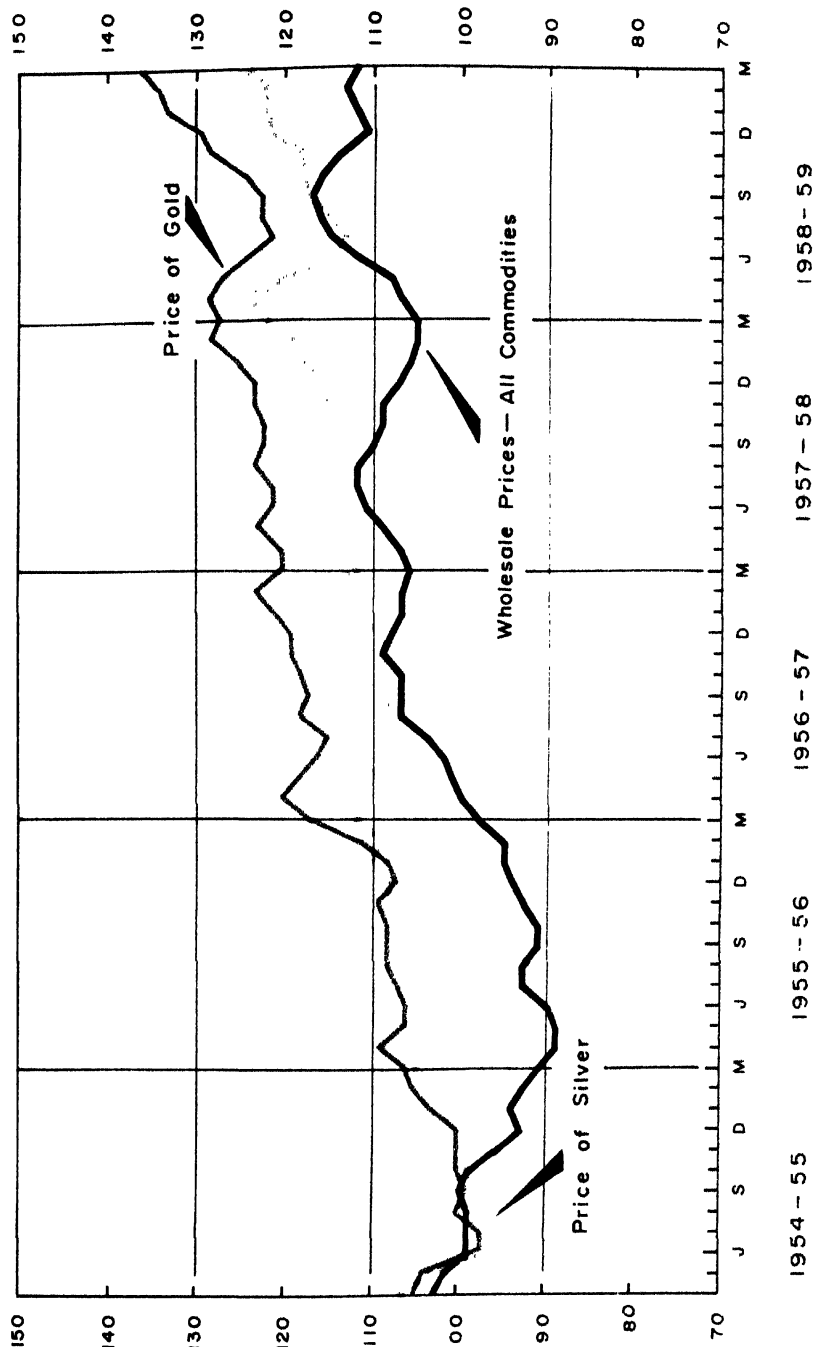
\*\*Throughout this Chapter, only the trends in 'ready' prices have been reviewed since 'ready and forward' rates generally showed parallel movements.



GRAPH 11

# INDEX NUMBERS OF BULLION (SPOT) PRICES AND WHOLESALE PRICES

BASE: — 1952 - 53 = 100



Further, in order to check the mounting bull pressure on the market, the Bombay Bullion Association, at an Extra-ordinary General Meeting held on May 23, 1958, passed certain resolutions subject to the approval of the Bombay Government, with a view to tightening the margin system by amendments to the existing bye-laws relating to margins. Early in June, there was a temporary recovery on fears of a possible deterioration in the Indo-Pakistan relations and rumours of a devaluation of the rupee to meet the foreign exchange crisis. However, following the approval by the Bombay Government, on June 9, of the amendments to the bye-laws passed by the Bullion Association (referred to later) and the progress of the slack season, gold prices resumed their earlier downtrend which generally continued upto the end of July. The ready rate touched the year's low of Rs. 104.19 on July 10. There was a temporary spurt in mid-July following the revolt in Iraq, the rate recovering to Rs. 108.87 on July 17, but it reacted again to Rs. 105.44 at the end of July.

In the next three months, August to October, despite the slack season, the market on the whole, evinced a firm tone. Sentiment was reported to have been bullishly influenced by the Finance Minister's statement in the *Lok Sabha*, on August 13, that Government were considering a proposal to mobilise gold hoards in the country by the issue of gold bonds. There were also expectations that the seasonal demand in the ensuing busy season would be stronger than usual in view of the favourable monsoon. In October, the establishment of Martial Law in Pakistan, which, it was reported, resulted in a subsidence of the inflow of smuggled gold from the Gulf *via* Pakistan, also aided sentiment. Consequently, the price rose from Rs. 105.44 at the end of July to Rs. 110.69 at the end of October.

With the onset of the busy season in November, the rise in prices became more pronounced, the ready rate rising to Rs. 114.12 by mid-December. At this stage, there was a temporary reaction following apprehensions in market circles of a likely ban on forward transactions in gold as a sequel to vague reports in the press of a reference by the Minister for Commerce, in the *Lok Sabha*, to possible steps Government were considering to ensure a stricter enforcement of the Forward Contracts (Regulation) Act. However, the market soon resumed the upswing on subsequent reports that no such ban was intended. There were also persistent rumours regarding possible official action to curb smuggling through the withdrawal of Indian rupee currency circulating in the Persian Gulf Area, while sentiment was also aided by the prevailing firmness in the stock and commodity markets. The ready rate touched Rs. 118.91 on January 22, thus surpassing the post-Korean peak of Rs. 118.62 reached in April 1951. In February, the rise in prices was somewhat restrained by the usual pre-budget uncertainties; in particular, there were fears regarding possible official action in regard to trading in bullion. Sentiment was also subdued by reports regarding the measures adopted by the authorities to curb unhealthy speculation in some commodity markets like oilseeds and gur, as well as the severe warning to the trade administered by the Forward Markets Commission in this behalf. However, in the absence of any radical proposals in the Budget concerning bullion, as apprehended earlier, the market again resumed the

*upswing*, mainly on the strength of a growing seasonal demand. The ready rate soared to Rs. 120.50 on March 31— a level which was close to the all-time peak of Rs. 121 reached in August 1948. The rate closed for the year at Rs. 120.28.

**Silver Prices.**—The price trend in silver was more or less similar to that in gold.

An important factor governing the trend during the year, as in the previous two years, was the changing outlook regarding imports of Tibetan silver coins. Generally speaking, the magnitude of bull pressure in silver was comparatively less marked than in gold. Early in the year under review, silver prices moved up from Rs. 195.75 on March 31 to touch a high of Rs. 201.94 on April 16. Thereafter, with the onset of the slack season, there was a marked fall in the offtake relatively to arrivals, leading to a downtrend in quotations. As in gold, sentiment was also bearishly affected by the measures adopted by the authorities of the Bombay Bullion Association to check speculative activity. The ready rate dipped to the year's low of Rs. 178.44 on July 10. Subsequently, prices rose steadily on reports regarding a progressive diminution in the imports of Tibetan silver coins. The bullish fervour appeared to have been further accentuated by the Prime Minister's statement in the *Rajya Sabha* on December 1, that the Chinese Government had banned the export of these coins to India. The ready rate rose to Rs. 196.75 on January 29 and, after a temporary reaction to Rs. 192.62 on February 9, soared again to the year's new high of Rs. 202 on March 24. This level exceeded the earlier high of Rs. 201.94 reached on April 16, 1958, but was still lower than the all-time high of Rs. 207.25 recorded in June 1951 by Rs. 5.25. The rate stood at Rs. 199.94 at the end of March 1959.

**Futures Trading in Bullion.**—The working of the futures market in bullion in Bombay during the year under the auspices of the Bombay Bullion Association\* was less smooth than in the previous year and necessitated the adoption of stricter measures to check excessive speculation. Early in May 1958, reflecting the mounting bull pressure, there was a sharp rise in *undha budla* (backwardation) in both metals. The *undha budla* widened to Rs. 2.87 in gold on May 3 and to Rs. 3.06 in silver on May 5, 1958. Towards the end of May, therefore, at an Extra-ordinary General Meeting, the Association passed resolutions envisaging a tightening up of the margin system through amendments to the existing bye-laws. These amendments were approved with certain modifications by the Bombay Government on June 9, 1958. One major amendment related to bye-law 33D. Prior to the amendment, the automatic margin under this bye-law had been linked to changes in both carryover charges and contract prices, but the bye-law as amended provided for the coming into operation of the margin, irrespective of the changes in contract prices. It also reduced the slabs at which these margins came into force and increased the margin rates, thus making the margin regulations more stringent. Under the amended bye-law, a margin of Rs. 1,000 per bar in silver becomes payable when the *backwardation* or the *contango* charge ranges from Re. 1 to Rs. 2; the margin

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\* This is the only Association recognised by the Bombay Government under the Bombay Forward Contracts Control Act, 1947 for purposes of futures trading in bullion.

payable rises to Rs. 2,500 per bar when the carryover charge exceeds Rs. 2. Similarly, in gold, a margin of Rs. 10 per tola is payable when the carryover rate varies from 50 nP. to Re. 1 and of Rs. 25 when the rate exceeds Re. 1. The amended bye-law, as approved by the Bombay Government, was brought into force beginning with the second *Shravan* settlement in August 1958. Other amendments as approved by the Government included (i) the raising of the rates of special margins payable under bye-law 33A(3) from Rs. 200—Rs. 500 to Rs. 200—Rs. 1000 per silver bar and from Rs. 4—Rs. 7 to Rs. 4—Rs. 10 per tola of gold, (ii) the reduction in the number of votes required for passing resolutions (relating to a declaration of an emergency etc.) under bye-law 34(1) from 125 to 75, under bye-law 34(2) from 101 to 51 and under bye-law 34(3) from 125 to 75 and (iii) the insertion of a new bye-law 26(3) prohibiting members from entering into transactions with non-members without charging separate brokerage and also empowering the Board of the Association to scrutinise the books of the members for checking such transactions.

During the year, automatic margins under bye-laws 33C and 33D came into force a number of times. Margins in terms of bye-law 33C, which are based on price variations, became operative thrice in gold and six times in silver, while margins in terms of bye-law 33D based on changes in the budla rates became operative twelve times in gold and five times in silver. It may be mentioned that, in the previous year, no automatic margin under bye-law 33C had come into operation either in gold or in silver, while the margin in terms of 33D had become effective only thrice each in gold and silver. Special clearings, under bye-law 104(2), designed to ensure prompt payment of differences when price fluctuations become excessive, came into force twice during the year as against only once in 1957-58. As regards the turnover, it appears from available data that there was a small increase in the volume of futures business in gold from 34.8 million tolas in 1957-58 to 36.8 million tolas in 1958-59, but in silver the turnover showed a further decline from 1.1 million bars to 0.8 million bars (each bar weighing approximately 1,000 ounces).

## VII. PUBLIC FINANCE

**General.**—With a marked improvement on the receipts side, mainly under *loan receipts (internal) and foreign aid*, the combined actual overall deficit of the Centre and the States for the year 1958-59 was appreciably smaller at Rs. 136\* crores as compared to Rs. 503\* crores in 1957-58 and Rs. 253\* crores in 1956-57. The deficit on account of the Centre was Rs. 145 crores as compared to Rs. 483 crores in 1957-58; the deficit was made up of an increase of Rs. 132† crores in the Reserve Bank's holdings of *ad hoc* Treasury bills and a fall of Rs. 13 crores in Government's cash balances. State Governments, on the other hand, emerged with a surplus of Rs. 9 crores as against a deficit of Rs. 20 crores in 1957-58 and Rs. 86 crores in 1956-57.

The rise in expenditure in 1958-59 was mainly under the Plan outlay which, for the Centre and the States combined, is estimated to have gone up from Rs. 846 crores in 1957-58 to Rs. 981 crores. Non-development expenditure also recorded a rise which was, however, much smaller than in 1957-58. On the resources side, the tax changes in the Central Government's 1958-59 budget (noticed in the last year's Report) do not appear to have made any material change, the gift tax, the adjustment in estate duty, the higher excise on cement etc. being offset by the subsequent reduction in the excise on textiles and export duties. On the other hand, external assistance made a significant contribution; it amounted to Rs. 260 crores (R.E.) as compared to only Rs. 105 crores in 1957-58 (R.E.). Net receipts from market loans (Central and State) also were appreciably higher at Rs. 227 crores as compared to Rs. 71 crores in 1957-58, though it should be noted that a significant part of this was due to the investment of P.L. 480 counterpart funds by the State Bank of India, which should in effect be regarded as foreign aid. In addition, sales of Treasury bills to the public were resumed in July 1958, the net receipts on this account being Rs. 26 crores. The performance of small savings was slightly better than in 1957-58 (actual net receipts amounting to Rs. 78 crores as compared to Rs. 69 crores in 1957-58); even so, it fell far short of the budget estimate of Rs. 100 crores. Further measures were adopted both by the Centre and the States to step up small savings.

For 1959-60, the overall budgetary deficit of the Centre and the States is placed at Rs. 228 crores (Rs. 221 crores for the Centre and Rs. 7 crores‡ for the States). Receipts under external assistance are anticipated to be higher by Rs. 77 crores

\* These figures have been derived by aggregating the increase in Government's floating debt held by the Reserve Bank and the ways and means advances by the Bank to Government (now only State Governments), with adjustment for variations in Government's cash balances. This is a reasonably reliable measure of budgetary deficit, though in analysing its impact on money supply, account should be taken of the transactions in Government securities between the Government, the Reserve Bank and the commercial banks. In this connection, please see Chapter IV for an analysis of the factors causing variations in money supply.

† Excluding the funding of Rs. 300 crores of Treasury bills in July 1958.

‡ Taking into account only the net change in cash balances.

at Rs. 337 crores. Net receipts from market loans are placed at Rs. 108 crores for the Central Government or Rs. 73 crores lower than in 1958-59. In addition, the States are expected to raise Rs. 46\* crores (gross) as compared to Rs. 54 crores in 1958-59. Small savings receipts are placed Rs. 7 crores higher at Rs. 85 crores. As regards taxation, the Centre's proposals are estimated to yield an additional Rs. 26 crores (including States' share). In the sphere of direct taxation, certain important changes have been proposed in the corporate taxation to take effect from the year 1960-61. These are the abolition of wealth tax on companies and the excess dividend tax, and the change in the present system of taxation of company profits and dividends, the essential feature of the change being the discontinuance of the 'grossing' up of the dividend income of shareholders by the income-tax paid by the company. As for the States, out of fourteen States, nine have made proposals for additional taxation to bring in a total yield of about Rs. 4 crores.

**Plan Outlay and Resources.** — Reference was made in last year's Report to the downward revision in the total Second Plan outlay from Rs. 4,800 crores to Rs. 4,500 crores so as to correspond to the resources position. The combined Plan outlay of the Centre and the States during the first three years of the Second Plan is estimated at Rs. 2,466 crores, the annual figures, commencing from 1956-57, being Rs. 639 crores, Rs. 846 crores and Rs. 981 crores. The outlay for 1959-60 is placed at Rs. 1,121† crores. The table on page 58 summarises the resources position of the Centre and the States during the first three years of the Second Plan and the forecast for the remaining two years, as set out in a review issued by the Planning Commission in November 1958. In the light of the data which have since become available some of these figures have no doubt undergone changes but even so it is indicative of the broad pattern. As against the revised Plan outlay of Rs. 4,500 crores, the available resources were estimated at Rs. 4,220 crores, thus indicating a shortfall of Rs. 280 crores. As regards the major sources of finance, it will be seen that there would be a shortfall of Rs. 450 crores in surplus from current revenues, as compared to the original estimate of Rs. 1,200 crores (Rs. 350 crores from existing taxes and Rs. 850 crores from new tax measures) made for the Rs. 4,800 crore outlay. In this connection, it should be noted that the five-year yield of the additional tax effort during the Second Plan period is estimated at about Rs. 1,000 crores or Rs. 150 crores more than the original target of Rs. 850 crores. But the contribution of this source to the Plan outlay is estimated at Rs. 750 crores only, due mainly to the growth of non-Plan expenditure. There would also be a shortfall of Rs. 116 crores in small savings, and of Rs. 324 crores under provident funds and other deposit heads. On the other hand, the target for market borrowing is expected to be more or less reached. The railways' contribution is expected to be higher by Rs. 100 crores. External assistance would also be higher by Rs. 300 crores though it should be noted that the original target was fixed at

\* The amount to be raised by way of market loans by the States is not final; the actual amount and the number of States which may issue loans will depend upon the state of the gilt-edged market.

† Including interest on loans on river valley projects which are added to capital during the period of construction, and short-term loans.

Rs. 800 crores on the basis that the balance of payments current account deficit would be Rs. 1,100 crores. But subsequently in November 1958, the Planning Commission estimated that the deficit would be of the order of Rs. 2,000 crores. As regards deficit financing, of the total estimated Plan outlay of Rs. 2,466 crores in the first three years, 1956-57 to 1958-59, deficit financing would have provided Rs. 882 crores i.e. about one-third of the total Plan outlay. For the next two years, deficit financing is put substantially lower at Rs. 210 crores; however, the estimate of budgetary deficit on account of the Centre and the States during 1959-60 alone has been put at Rs. 228 crores, though wide variations from the estimates cannot be ruled out, as for instance, was the case in 1958-59, the actual being smaller than the budget estimate. During the first three years of the Second Plan, deficit financing and external assistance together would appear to have contributed a little over 50 per cent of the resources for the Plan outlay as compared to 31 per cent during the First Plan period.

## Plan Resources and Outlay

(Crores of Rupees)

	Original Plan Target	Likely Actuals (first three years)	Forecast (remaining two years)	Total for Five Years (2 + 3)
	1	2	3	4
<b>Plan Outlay</b>	4,800	2,466	1,754	4,220
1. Surplus from Current Revenues...	1,200(a) (25)	428 (17)	322 (18)	750 (18)
2. Borrowings from the Public				
(i) Market Loans	700 (15)	441 (18)	277 (16)	718 (17)
(ii) Small Savings	500 (10)	211 (9)	173 (10)	384 (9)
3. Other Budgetary Resources				
(i) Railways' contribution to the Development Programme	150 (3)	126 (5)	124 (7)	250 (6)
(ii) Provident Funds and other Deposit Heads(b)	250 (5)	-80	6	-74
4. Resources to be raised Externally	800 (17)	458 (18)	642 (37)	1,100 (26)
5. Deficit Financing	1,200 (25)	882 (36)	210 (12)	1,092 (26)

Note: Figures in brackets show percentages to Plan outlay.

(a) Including the uncovered gap of Rs. 400 crores to be filled mainly through taxation.

(b) Unfunded debt and miscellaneous capital receipts etc.

Source: Plan Resources and Outlay; a Review issued by the Planning Commission in November 1958.

**A. BUDGETS****Union Government****Revenue Account**

**General.**—The trends in revenue and expenditure of the Central Government since 1950-51 are given in the table below:

(Crores of Rupees)

	1950-51	1951-52	1955-56	1956-56 Total	1956-57	1957-58	1958-59 Budget	1958-59 Revised	1959-60 Budget
Revenue (a) ...	405.8	509.5	481.2	2,232.6	563.2	673.4	684.0	639.5	690.8(b)
Expenditure ...	346.6	381.4	440.7	1,983.0	473.8	631.3	712.0	699.5	749.1
Surplus (+) or Deficit (—) ...	+ 59.2	+ 128.1	+ 40.5	+ 249.6	+ 89.4	+ 42.1	—28.0	—60.0	—58.3

(a) States' share of excise duties and other taxes is excluded.

(b) Including the effect of budget proposals.

**1957-58 (Accounts).**—The actuals for 1957-58 revealed a higher surplus on revenue account, at Rs. 42 crores, as compared to Rs. 6 crores in the revised estimates, owing mainly to a decline in expenditure of Rs. 26 crores under development services and of Rs. 9 crores under defence.

**1958-59 (Revised Estimates).**—The revised estimates for 1958-59 disclose a larger deficit at Rs. 60 crores as compared to the budgeted amount of Rs. 28 crores. Revenue receipts recorded a fall of Rs. 44 crores from Rs. 684 crores to Rs. 640 crores while the decline in expenditure was relatively small (Rs. 13 crores) at Rs. 699 crores. The fall in revenue receipts was mainly on account of a drop of Rs. 34 crores under 'Customs' (to Rs. 136 crores), particularly in respect of imports. The revenue from import duties was less by Rs. 28 crores, due mainly to the cuts made in the import programme affecting a large variety of consumer goods to conserve foreign exchange resources. On the expenditure side, the bulk of the decline (Rs. 11 crores) was under defence.

Reference was made in the last year's Report to the tax changes made subsequent to the introduction of the 1958-59 budget. These included reduction in excise duty on all varieties of cotton textiles and further concessions in respect of gift tax, etc. In the course of the year, further tax changes were made, particularly in respect of Union excise and export duties, with a view to promoting domestic consumption and exports. Some of the important changes were as follows—(1) The excise duty on loose tea, not used in the manufacture of package tea, was reduced from one anna



per pound to 6 pies per pound, effective June 1, 1958. The reduced rates were in force till September when the rates were further readjusted. With effect from September 28, 1958, the maximum rate of export duty was reduced from 75 nP. to 30 nP. per pound. The effective duty was fixed at a flat rate of 26 nP. per pound which was subsequently reduced to 24 nP. per pound, with effect from March 1, 1959. The maximum tariff rate of duty on loose tea was fixed at 19 nP. per pound but the tea growing areas were divided into three zones on the basis of the weighted average price of all teas in a particular zone sold in internal and export auctions in India and the effective duty was fixed at 2 nP., 4 nP. and 10 nP. per pound. The duty on package tea was fixed at 21 nP. per pound plus the duty leviable on loose tea if not already paid. (2) With effect from May 20, the principal oil companies distributing mineral oil products in India agreed to make a reduction in the prices of petroleum products consumed. It was decided that the benefit of the price reduction should accrue to Government. Accordingly, the excise and customs duties on mineral oils were readjusted. (3) Export duties on manganese ore, oilseeds, vegetable oils and oilcakes were removed and the rates of duty on certain varieties of raw cotton were reduced.

**1959-60 (Budget Estimates).**—As compared to 1958-59 (R.E.), the budget estimates for 1959-60 provide for a revenue higher by Rs. 28 crores at Rs. 667 crores (at existing level of taxation) and expenditure higher by Rs. 50 crores, at Rs. 749 crores, thus resulting in a larger deficit of Rs. 82 crores. After taking the budget proposals of Rs. 23.35 crores into account, the deficit would be reduced to Rs. 58 crores. Tax revenue accruing to the Centre (including the effect of budget proposals) at Rs. 558 crores shows a rise of Rs. 28 crores over 1958-59 (R.E.). Revenue from Customs is estimated lower by Rs. 3 crores at Rs. 133 crores and reflects the full year's effect of the reduction or abolition of export duty on various items and the continued restriction on imports. Under non-tax revenue, receipts from Currency and Mint are placed higher by Rs. 20 crores at Rs. 46 crores. Surplus profits of the Reserve Bank transferable to Government have been put at Rs. 40 crores as against Rs. 30 crores in 1958-59 (R.E.).

The bulk of the increase in expenditure is under development services (Rs. 30 crores) and debt services (Rs. 16 crores). Expenditure on defence services is lower by Rs. 24 crores.

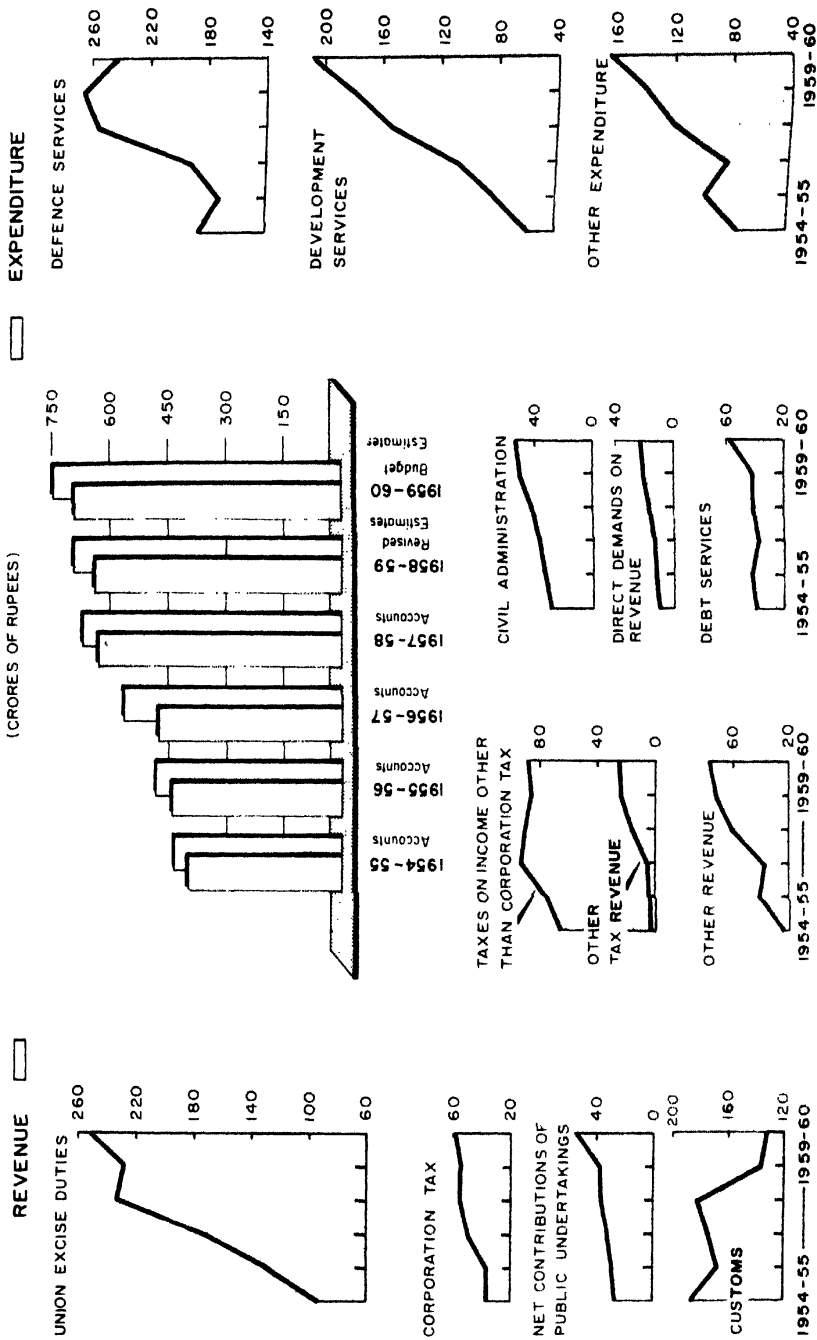
The budget proposals for 1959-60 are estimated to yield Rs. 26.07 crores, the bulk of which (Rs. 23.57 crores) would come from indirect taxation. Excluding the States' share, the Centre will derive Rs. 23.35 crores. The tax proposals are as under:

(a) **Changes in Union Excise Duties.**—These include increases in the rates on refined diesel oils and vapourising oil from 40 nP. per imperial gallon to 80 nP. per imperial gallon, on low-speed diesel oil from Rs. 40 per ton to Rs. 50 per ton, on art silk fabrics from 6 pies per square yard to 6 nP. per square yard and levy of a basic duty on *Khandsari* sugar of Rs. 5.60 per cwt. and an additional duty of 70 nP.

GRAPH 12

# FINANCES OF THE GOVERNMENT OF INDIA

## REVENUE ACCOUNT (CRORES OF RUPEES)



in replacement of the existing sales taxes. Besides, there were increases in respect of rayon yarn and staple fibre, motor vehicles tyres and vegetable products, and adjustments in respect of various types of cigarettes and teas and curtailment of concessions granted to medium and small-scale producers of vegetable non-essential oils (*vide* table below). After allowing for the transfer to States (Rs. 2.72 crores including the additional excise duties), net revenue to the Centre from changes in excise duties will be Rs. 18.08 crores, raising the excise revenue to Rs. 253 crores.

Proposed Changes	Estimated Yield (Rs. crores)
1. Duty on refined diesel oils and vapourising oil to be raised from 40 nP. per gallon to 80 nP. per gallon and the duty on low-speed diesel oil from Rs. 40 per ton to Rs. 50 per ton ... ..	
2. Duty on art silk fabrics to be raised from 6 pies to 6 nP. per square yard and the present exemption in respect of the products of first 9 looms to be reduced to 4 looms ... ..	1.20
3. Duty on rayon yarn and staple fibre to be raised by 60 per cent ... ..	0.50
4. Duty on motor vehicle tyres to be raised from 30 per cent to 40 per cent <i>ad valorem</i> ... ..	1.75
5. Duty on vegetable products to be increased from Rs. 7 per cwt. to Rs. 8.75 per cwt. ... ..	0.95
6. The concessional levy on medium and small producers of vegetable non-essential oils to be limited to only the first 75 tons of production ... ..	4.40
7. Levy on <i>Khandsari</i> sugar of a basic duty of Rs. 5.60 per cwt. and additional duty of 70 nP. in replacement of the sales taxes ... ..	2.07
8. The average level of duty on various kinds of cigarettes to be increased by 16 per cent ... ..	1.50
9. Readjustment of the excise duty on teas grown in certain areas ... ..	0.58

(b) **Changes in Customs Duties.**—No major changes are proposed but there will be countervailing increases in the import duties on the commodities on which excise duties are being increased. Net additional yield from customs duties will amount to Rs. 2.77 crores.

(c) **Changes in Wealth Tax.**—These relate to increase in the rate of wealth tax payable by individuals and Hindu undivided families by half a per cent at each slab, so that the new rate in respect of individuals will vary from 1 per cent on wealth in excess of Rs. 2 lakhs to 2 per cent on wealth above Rs. 22 lakhs. The additional yield will be Rs. 2.5 crores.

(d) **Changes in Expenditure Tax.**—The major changes include (1) withdrawal of the complete exemption now available in respect of the expenditure on bullion, precious stones or jewellery, (2) treatment of husband, wife and minor children as one unit for the exemption limit of Rs. 30,000 in the matter of non-taxable expenditure and not as separate assesseees if they have incomes in their individual rights.

**(e) Changes in Company Taxation.**—(1) It is proposed to simplify the present system of taxation of company profits and dividends with effect from the year 1960-61 in a manner which, while obviating the complications in the system, will maintain the *status quo* in all material respects with regard to revenue and the liability of the shareholders and the companies taken as a whole. The following are the main features of the scheme.

(i) The present 'legal fiction' of deeming a portion of the income-tax paid by the company on its profits as having been paid by the shareholder on the dividend he receives, and allowing the amount as tax credit against the shareholder's tax liability will be abolished.

(ii) Consequently, the process of 'grossing' the value of the dividends received by the shareholder will become unnecessary and will, therefore, be given up.

(iii) As a corollary to (i) and (ii) above, the tax rates for the companies themselves will be so modified as to produce the same amount of annual net revenue, i.e. the annual gross revenue now obtained from the companies *less* the annual credit given to the shareholders.

(iv) Companies will deduct tax at prescribed flat rates from the dividend payable to the shareholders, by way of advance recovery and pay it to Government. When the shareholders' assessments are made, the tax deducted at source from the dividends received by them will be made good to them either by way of set off against their tax liability or by way of refund.

(2) The new scheme is to be applied to the profits of companies which will be assessable to tax in 1960-61 and to all dividends declared out of such profits.

(3) The proposed scheme will not apply to foreign companies as they declare dividends outside India and the question of grossing those dividends does not arise.

(4) The existing taxes on excess dividend distributions and on the wealth of companies are to be replaced from 1960-61 by a suitable increase in the rates of company super-tax.

(5) For purposes of advance payment of tax by Indian companies under Section 18-A of the Income Tax Act, a rate of 20 per cent for income-tax and 25 per cent for super-tax, i.e. a total of 45 per cent is proposed.

(6) Though the scheme does not apply to foreign companies which declare dividends outside India, in view of the withdrawal of wealth tax on companies, the present rate applicable to these companies is to be raised from 61.5 per cent to 63 per cent, with effect from 1960-61.

(7) In the case of companies under Section 23-A, the percentage of profits to be distributed as dividends will be raised from 45 to 50 per cent in respect of industrial profits and from 60 to 65 per cent in respect of non-industrial profits.

(8) As in the case of ordinary bonus issues, bonus issues made out of share premium accounts are also proposed to be taxed with effect from 1960-61.

**Other Tax Proposals.**—Other tax proposals include (1) withdrawal of exemption available in respect of income upto Rs. 4,500 accruing or arising outside India but not remitted to India in the same year and (2) inclusion, under the tax, of the salaries paid out of the public revenues of India to non-resident Government employees, irrespective of the period of their stay abroad.

**Subsequent Modifications in Tax Proposals.**—The Finance Minister announced in April a few changes in the budget proposals mainly with a view to giving some relief in excise duties to cottage industries and small units. The changes include (1) reduction in the basic duty on *Khandsari* sugar produced with the aid of sulphitation plant from Rs. 5.60 per cwt. to Rs. 5.04 per cwt. and on *Khandsari* sugar produced without such aid to Rs. 3.92 per cwt. The additional excise duty was reduced from 70 nP. to 63 nP. per cwt. in respect of the former and to 49 nP. per cwt. in respect of the latter and (2) restriction of the exemption from excise duty on art silk fabrics produced from first four looms to only those units which do not work the first four looms for more than one shift.

Between 1950-51 and 1959-60, out of the total increase of Rs. 321 crores in tax revenue (including States' share), as much as Rs. 260 crores was accounted for by Union excise. Revenue from Union excise, which had risen from Rs. 68 crores in 1950-51 to Rs. 145 crores in 1955-56, would rise sharply further to Rs. 328 crores in 1959-60. The commodities which mainly accounted for this rise include (a) motor spirit, (b) sugar, (c) cotton cloth, (d) matches, (e) tobacco, (f) vegetable non-essential oils and (g) refined diesel oils and vapourising oils. Revenue from customs, which had risen slightly from Rs. 157 crores in 1950-51 to Rs. 167 crores in 1955-56, is estimated to decline to Rs. 133 crores in 1959-60. The yield from income-tax (including corporation tax) declined from Rs. 173 crores in 1950-51 to Rs. 168 crores in 1955-56 and would amount to Rs. 225 crores in 1959-60.

### Capital Account

The capital account for 1959-60 shows a deficit of Rs. 164 crores as compared to a deficit of Rs. 198 crores in 1958-59 (R.E.). Capital receipts (excluding the adjusting item in respect of the U.S. aid and also Treasury bills except those sold to the public) are estimated at Rs. 891 crores as compared to Rs. 657 crores in 1958-59 (R.E.). External loans are placed higher by Rs. 62 crores at Rs. 300 crores comprising Rs. 41 crores of Sterling loans, Rs. 143 crores from the U.S.A., Rs. 29 crores from the I.B.R.D., Rs. 26 crores from the U.S.S.R., Rs. 29 crores from West Germany, Rs. 12 crores from Japan and Rs. 20 crores from other foreign sources. Gross receipts from market loans are estimated at Rs. 225 crores as compared to Rs. 202 crores in 1958-59 (R.E.), the corresponding net receipts being Rs. 108 crores and Rs. 181 crores. Small savings receipts (net) at Rs. 85 crores show a rise of Rs. 10 crores over 1958-59 (R.E.). Excluding the adjustment for the transfer of capital assistance from the U.S. to the Special Development Fund, which is technically treated as an expenditure, the budget provides for a total capital outlay of Rs. 420 crores as compared to the outlay of Rs. 395 crores in 1958-59 (R.E.) and Rs. 434 crores in 1957-58. The outlay for 1959-60, however, includes a sum of Rs. 95.24 crores for the payment of the additional subscription to the International Monetary Fund;

this is to be met out of the creation of special *ad hoc* securities of the same amount in favour of the Reserve Bank. Capital outlay under 'Industrial Development' records a sharp decline from Rs. 189 crores to Rs. 54 crores mainly due to the absence of further investment in Hindustan Steel Ltd. As it is proposed to meet the entire requirements of this company by loans, 'other loans and advances' show a sharp rise of Rs. 91 crores. Loans (net) to States, however, would be lower by Rs. 30 crores at Rs. 217 crores.

### State Governments

#### Revenue Account

General.—The consolidated budgetary position of States\* on revenue account since the reorganisation of States is shown in the table below:

					(Rs. crores)			
					1957-58	1958-59	1958-59	1959-60
					(Accounts)	(Budget)	(Revised)	(Budget)
Revenue	...	...	...	...	705.6	742.1	788.8	833.9
Expenditure	...	...	...	...	677.3	745.8	770.8	829.9
Surplus (+)								
or								
Deficit (—)	...	...	...	...	+ 28.3	3.7	+ 18.0	+ 4.0

\* Excluding Jammu and Kashmir.

**1957-58 (Accounts).—**The accounts for 1957-58 place revenue receipts higher than the revised estimates by Rs. 14 crores at Rs. 705 crores and expenditure lower by Rs. 20 crores at Rs. 677 crores. Consequently, the deficit of Rs. 6 crores in the revised estimates was converted into a surplus of Rs. 28 crores. While tax revenue recorded an increase of Rs. 20 crores to Rs. 469 crores, non-tax revenue showed a decline of Rs. 6 crores to Rs. 236 crores. On the expenditure side, the shortfall of Rs. 20 crores over the revised estimates was wholly accounted for by development expenditure.

**1958-59 (Revised Estimates).—**For 1958-59, as compared to the budget estimates, the revised estimates of revenue and expenditure showed increases of Rs. 47 crores and Rs. 25 crores, respectively, at Rs. 789 crores and Rs. 771 crores. As a result, the budgeted deficit of Rs. 4 crores was converted into a surplus of Rs. 18 crores. Tax revenue showed an increase of Rs. 36 crores to Rs. 514 crores and non-tax revenue of Rs. 10 crores to Rs. 275 crores. Receipts from sales tax and from the share of Union excise accounted for the major part of the increase in tax revenue. The bulk of the increase (Rs. 22 crores) in expenditure was under non-development category.

**1959-60 (Budget Estimates).—**As compared to 1958-59 (R.E.), the budget estimates for 1959-60 place both receipts as well as expenditure higher by Rs. 45 crores and Rs. 59 crores, respectively at Rs. 834 crores and Rs. 830 crores, leaving a surplus of Rs. 4 crores. Taking into account the effect of the tax proposals, the surplus on revenue account would be Rs. 8 crores. Except Kerala, Uttar Pradesh and West Bengal, all other States would show surpluses. On the revenue side, tax revenue is expected to go up by Rs. 17 crores to Rs. 531 crores and non-tax revenue by Rs. 28 crores to Rs. 303 crores. Out of the 13 States, only Bombay, Kerala, Punjab, Orissa, Rajasthan, Madhya Pradesh, Mysore and Uttar Pradesh have made proposals for additional taxation which are estimated to bring in an additional Rs. 4.4 crores. The Finance Minister of Andhra Pradesh has stated in his budget speech that a bill for revising the rate structure of taxes on passengers and goods was already before the Assembly and that this measure was expected to yield Rs. 75 lakhs. As against this, the tax concession proposed by the Government of Uttar Pradesh in respect of electricity duties and by the Government of Bombay in respect of land revenue would cost the Exchequer Rs. 1.2 crores. Taking into account the effect of these proposals, the total sum expected to be raised in 1959-60 would be about Rs. 4 crores. The tax proposals are as under :

	<i>Estimated Yield (Rs. lakhs)</i>
<b>Bombay</b>	
1. Replacement of various systems of sales-tax in force in the State by a single uniform system applicable to the entire State	100
2. Unification of court fees	25
3. Reduction in the rates of assessment of land in some areas of the State	70
<b>Total</b>	<b>55</b>
<b>Kerala</b>	
Removal of exemption from sales-tax on toddy	6
<b>Madhya Pradesh</b>	
New tax on passenger fares on road transport	50
<b>Mysore</b>	
New tax on passenger and goods traffic of the road transport services	50
<b>Orissa</b>	
Cesses on land which are being levied at varying rates to be consolidated and levied as one cess not exceeding 25 per cent of the annual rental value of land occupied or annual net profits of certain concerns liable for payment of the cess	10
<b>Punjab</b>	
1. Raising of the tax on sale of motor spirit from 25 nP. per gallon to 31 nP. per gallon	12
2. Raising the rate of tax on fares and freights in respect of passengers carried and goods transported by motor vehicles from one-sixth of the value to one-fourth of the value of the fares and freights	60
<b>Total</b>	<b>72</b>

**Rajasthan**

1. Increase in the irrigation rates as a result of the rationalisation of the irrigation charges ... ..	8
2. Betterment levy on works other than Bhakra ... ..	12
3. Increase in the rates of excise duty ... ..	8
4. New tax on passengers carried by and goods transported by motor vehicles at a rate not exceeding one-sixth of the value of fare or freight ... ..	30
<b>Total</b> ... ..	<b>58</b>

**Uttar Pradesh**

1. Enhancement of the rates of stamp duty and court fees ... ..	40
2. Increase in the rates of tax on motor vehicles ... ..	30 (approx.)
3. Exemption from electricity duty for industrial consumers... ..	—50
4. Foodgrain dealers having a turnover of less than Rs. 25,000 per annum to be exempted from sales-tax and dealers in foodgrains having a turnover of Rs.25,000 or more per annum to pay tax at the uniform rate of 1 per cent on their turnover. ..	..

**Capital Account**

**1957-58 (Accounts).—**The revised estimate for 1957-58 had placed the deficit on capital account at Rs. 16 crores. The actuals for that year revealed a still larger deficit of Rs. 24 crores. This was due to a larger fall in capital receipts than in disbursements; the former fell by Rs. 38 crores to Rs. 391 crores while the latter fell by Rs. 30 crores to Rs. 415 crores.

**1958-59 (Revised Estimates).—**For 1958-59, the budget estimates placed receipts and disbursements at Rs. 429 crores and Rs. 436 crores, leaving a deficit of Rs. 7 crores. In the revised estimates, disbursements show a sharp rise of Rs. 59 crores to Rs. 495 crores, while receipts show a rise of only Rs. 33 crores to Rs. 462 crores. The deficit is thus estimated to widen to Rs. 33 crores. Higher receipts from public loans and larger quantum of Central loans were mainly responsible for higher level of capital receipts. On the disbursements side, the rise of Rs. 59 crores was mainly due to a higher outgo on development and non-development expenditure, loans and advances by State Governments and repayments of Central loans.

**1959-60 (Budget Estimates).—**With receipts estimated higher by Rs. 23 crores at Rs. 485 crores and disbursements almost unchanged at Rs. 495 crores, the capital account for 1959-60 would show a smaller deficit of Rs. 10 crores, as compared with Rs. 33 crores in 1958-59 (R.E.). While receipts from permanent debt and Central loans are budgeted lower by Rs. 6 crores and Rs. 12 crores, respectively, at Rs. 72 crores and Rs. 302 crores over the revised estimates, those under Deposits and Advances are budgeted higher by Rs. 32 crores at Rs. 43 crores. Capital expenditure would rise by Rs. 11 crores to Rs. 290 crores because of an estimated rise of Rs. 12 crores

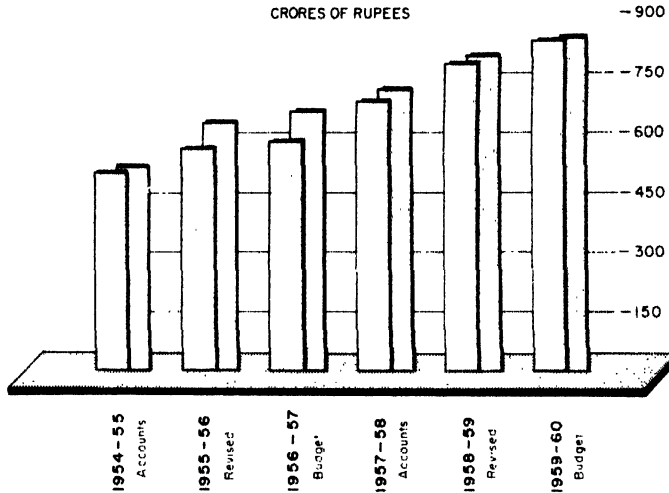


GRAPH 13

# BUDGETARY POSITION OF STATE GOVERNMENTS

## REVENUE ACCOUNT

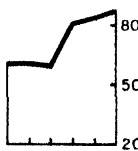
CRORES OF RUPEES



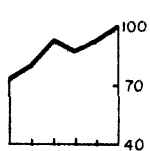
REVENUE ☐

EXPENDITURE ☐

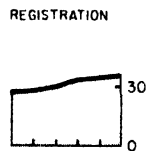
### TAXES ON INCOME



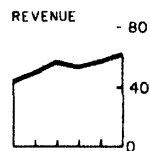
### LAND REVENUE



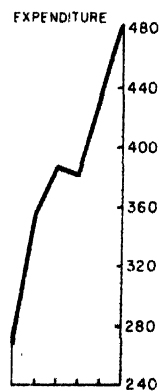
### STAMPS AND REGISTRATION



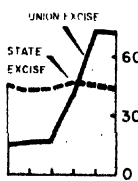
### DIRECT DEMANDS ON REVENUE



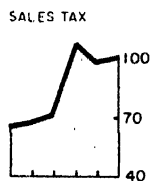
### DEVELOPMENT EXPENDITURE



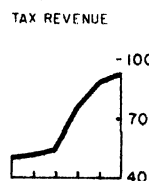
### EXCISE DUTIES



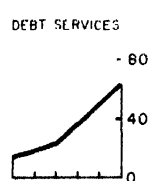
### GENERAL SALES TAX



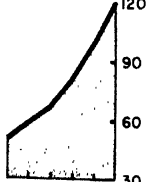
### OTHER TAX REVENUE



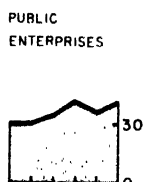
### DEBT SERVICES



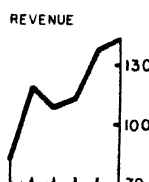
### ADMINISTRATIVE RECEIPTS



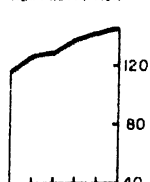
### NET CONTRIBUTION OF PUBLIC ENTERPRISES



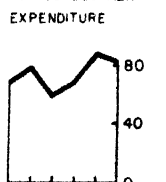
### OTHER NON-TAX REVENUE



### CIVIL ADMINISTRATION



### OTHER NON-DEVELOPMENT EXPENDITURE



1954-55—1959-60

1954-55—1959-60

1954-55—1959-60

1954-55—1959-60

1954-55—1959-60

to Rs. 280 crores under development expenditure and a fall of Rs. 1 crore to Rs. 11 crores under non-development category.

**Jammu and Kashmir.**—Revenue and expenditure of Jammu and Kashmir State for 1958-59 (R.E.) are estimated at Rs. 10.60 crores and Rs. 8.85 crores, respectively, resulting in a surplus of Rs. 1.75 crores as compared to a surplus of Rs. 1.94 crores in the budget estimates. The budget estimates of 1959-60 also show a revenue surplus of Rs. 2.19 crores, with revenue at Rs. 12.25 crores and expenditure at Rs. 10.06 crores. These surpluses, however, have been more than offset by deficits on capital account, such deficits amounting to Rs. 1.85 crores in 1958-59 (R.E.) and Rs. 2.45 crores in 1959-60 (B.E.). There would thus be a combined deficit of Rs. 10 lakhs in 1958-59 (R.E.) and of Rs. 26 lakhs in 1959-60 (B.E.). In the budget for 1959-60, the Finance Minister has proposed certain tax measures, the estimated yield from these measures being Rs. 24 lakhs. These measures are (1) doubling of the surcharge on Road Toll and (2) the levy of a cess on the export of fruits.

### Railway Budget

The trends in railway finances reveal a steady growth in receipts. Gross traffic receipts (excluding freight on railway materials), which amounted to Rs. 380 crores in 1957-58, would rise to Rs. 394 crores in 1958-59 (R.E.) and further to Rs. 422 crores in 1959-60 (B.E.). Total expenses, however, have shown relatively smaller increases and are placed at Rs. 331 crores in 1958-59 (R.E.) as compared to Rs. 322 crores in 1957-58 and would rise to Rs. 346 crores in 1959-60. Consequently, the net revenue has increased from Rs. 58 crores in 1957-58 to Rs. 63 crores in 1958-59 (R.E.) and would go up to Rs. 76 crores in 1959-60. The surplus available to railways, after payment of dividend to General Revenues, however, was slightly lower at Rs. 13 crores in 1958-59 (R.E.) as compared to Rs. 13.38 crores in 1957-58, though for 1959-60 it is estimated higher at Rs. 21 crores. The capital expenditure on railways was slightly lower in 1958-59 (R.E.) at Rs. 245 crores as compared to Rs. 251 crores in 1957-58 and is estimated at Rs. 235 crores in 1959-60. Even so, the total outstanding balances in Depreciation Reserve, Revenue Reserve and Development Funds are expected to decline from Rs. 140 crores at the end of 1957-58 to Rs. 105 crores at the end of 1958-59 (R.E.) and further to Rs. 87 crores at the end of 1959-60. In fact, as the outstanding balance in the Development Fund at the end of 1957-58 amounted to only Rs. 1.9 crores, it had to be augmented by a loan\* of Rs. 11 crores during 1958-59 from General Revenues, and a provision for a similar loan of Rs. 11 crores is made for 1959-60. As regards freight and passenger rates, following the announcement on August 18, 1958 of the Government's decision on the recommendations of the Railway Freight Structure Enquiry Committee, freight and parcel rates were enhanced with effect from October 1, 1958, the increases being estimated to give an additional

\* The Railway Convention Committee of 1954 envisaging occasions when the Development Fund may not be in a position to meet the programme of expenditure chargeable to that Fund from its own resources, had recommended that, in such circumstances, general revenues could advance a temporary loan to the Railways.

yield of Rs. 11.6 crores in a full year. As the Railway Minister felt that it was too early to assess the full effects of the revised freight structure, he did not propose any changes in the freight rates in the budget for 1959-60; also no changes in passenger fares were proposed.

## B. PUBLIC DEBT

### Union Government

**General.**—The interest-bearing obligations of the Government of India continued to mount, rising from Rs. 4,216 crores at the end of 1957-58 to Rs. 4,964 crores at the end of 1958-59 and are expected to show a further rise of Rs. 771 crores to Rs. 5,735 crores by the end of 1959-60\*. The internal obligations aggregated Rs. 4,005 crores at the end of 1957-58 and Rs. 4,593 crores at the end of 1958-59 and are estimated to increase to Rs. 5,074 crores at the end of March 1960.

The Union Government floated in May 1958 three cash-cum-conversion loans for a total amount of Rs. 135 crores, namely, (i)  $3\frac{1}{2}$  per cent Bonds 1963, at an issue price of Rs. 98.75 per cent (yielding to redemption 3.78 per cent), (ii)  $3\frac{3}{4}$  per cent National Plan Bonds 1968 (fifth series) at an issue price of Rs. 99.50 per cent (yielding to redemption 3.81 per cent) and (iii) 4 per cent Loan 1973 issued at par. The maturing issues offered for conversion into these loans were the 3 per cent Loan 1958 and the  $4\frac{1}{2}$  per cent Loan 1958-68 which were accepted at Rs. 99.75 per cent and Rs. 100.10 per cent, respectively. Total subscriptions (including conversions) to the new loans amounted to Rs. 142 crores, of which Rs. 58 crores were for the  $3\frac{1}{2}$  per cent Bonds 1963, Rs. 34 crores for the  $3\frac{3}{4}$  per cent National Plan Bonds 1968 and Rs. 50 crores for the 4 per cent Loan 1973. Cash subscriptions amounted to Rs. 132 crores—Rs. 49 crores for the  $3\frac{1}{2}$  per cent Bonds 1963, Rs. 34 crores for the  $3\frac{3}{4}$  per cent National Plan Bonds 1968 and Rs. 49 crores for the 4 per cent Loan 1973. In August 1958, the Government issued two other new loans for a total amount of Rs. 60 crores, namely, the  $3\frac{1}{2}$  per cent Loan 1968 and the  $3\frac{1}{2}$  per cent National Plan Bonds 1967 (third series) for Rs. 30 crores each. The entire amount of both these loans was initially taken up by the Reserve Bank of India. *Net* borrowings of the Union Government during 1958-59, taking into account cash repayments on account of the 3 per cent Loan 1958 (Rs. 10.87 crores) and the  $4\frac{1}{2}$  per cent Loan 1958-68 (Rs. 72 lakhs), would amount to Rs. 181 crores as compared to Rs. 66 crores in 1957-58. Mention may also be made of the funding of *ad hoc* Treasury bills for Rs. 300 crores into a new issue of the existing 4 per cent Loan 1973 in July 1958. The new issue was taken over by the Reserve Bank and is not intended to be placed on the market.

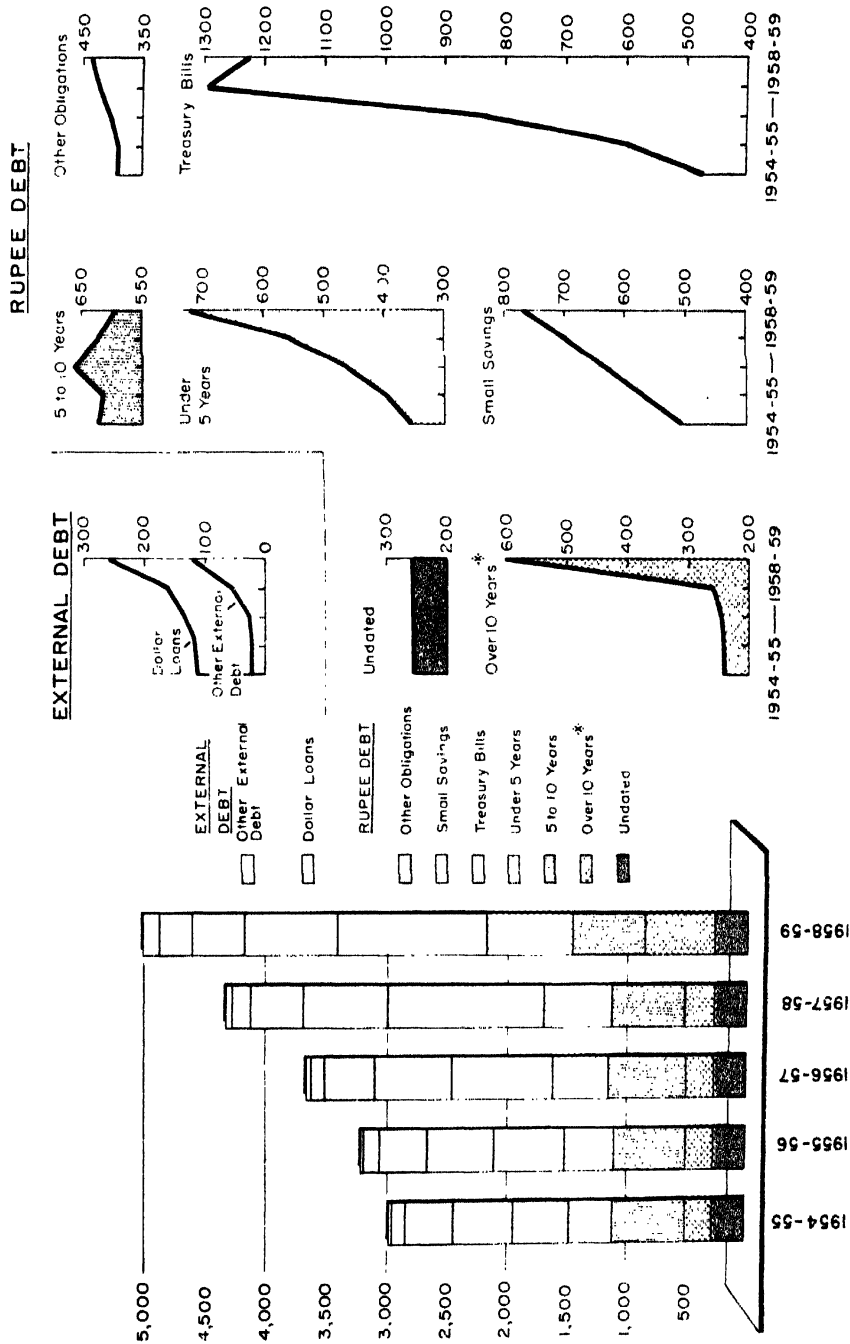
The budget for 1959-60 provides for gross market borrowings of Rs. 225 crores. The net borrowing, taking into account cash repayment of Rs. 117 crores, would be Rs. 108 crores. In addition, credit has been taken for sales of Treasury bills to the

\* The figures given here are based on revised estimates for all years. Actuals in respect of certain items are given later.

GRAPH 14

# DEBT POSITION ( PRELIMINARY ) OF THE GOVERNMENT OF INDIA

CRORES OF RUPEES



\* Over 10 years of debt is shown in the main chart. The data for the years 1954-55 to 1958-59 is preliminary and subject to change.

public to the extent of Rs. 15 crores. On July 1, 1959, the Central Government floated two loans for a total sum of Rs. 175 crores—(1) 3½ per cent Bonds 1969 and 2) 4 per cent Loan 1979. The total subscriptions amounted to Rs. 183.8 crores of which conversions of the 3 per cent Second Victory Loan 1959-61 and 2½ per cent Hyderabad Loan 1954-59 amounted to Rs. 89.4 crores.

Interest-yielding *assets* of the Government of India amounted to Rs. 3,999 crores at the end of March 1959, representing an increase of Rs. 603 crores over the year and constituted four-fifths of the total interest-bearing obligations. There were increases of Rs. 347 crores in loans to States, of Rs. 142 crores in investment in commercial concerns, of Rs. 128 crores in capital advanced to railways and of Rs. 22 crores in capital advanced to other commercial departments. As against this there was a decline of Rs. 35 crores under purchases of annuities for Sterling pensions. During 1959-60, the interest-yielding assets are estimated to show a further sharp rise of Rs. 575 crores to Rs. 4,574 crores.

**Composition of Debt.**—At the end of March 1959, the total rupee debt (comprising total interest-bearing obligations *minus* deposits and external debt *plus* balances of special floating and expired loans) amounted to Rs. 4,615 crores as against Rs. 4,118 crores at the end of March 1958. Of this, debt on account of rupee loans stood at Rs. 2,181 crores or 47 per cent and Treasury bills at Rs. 1,225 crores and small savings at Rs. 772 crores formed 27 per cent and 17 per cent, respectively. External debt, which has been rising steadily since 1956, recorded a further sharp rise of Rs. 180 crores to Rs. 391 crores. The maturity pattern of rupee loans\* in 1958-59 as compared to the position in 1957-58 shows a considerable shift in favour of the group over 10 years, mainly as a result of the inclusion of the *ad hoc* issue for Rs. 300 crores, viz. the 4 per cent Loan 1973, by way of funding Treasury bills of an equivalent amount held with the Reserve Bank. The proportion of loans maturing over 10 years rose from 15 per cent at the end of 1957-58 to 28 per cent at the end of 1958-59 while the corresponding proportion of loans maturing between 5 and 10 years declined from 37 per cent to 27 per cent.

During 1958-59, the outstanding Treasury bills declined by Rs. 70 crores to Rs. 1,225 crores † as against a rise of Rs. 459 crores in 1957-58; if the funding of Rs. 300 crores of Treasury bills in July 1958 is excluded, there would have been a rise of Rs. 230 crores. Treasury bills held by the Reserve Bank at Rs. 1,022 crores at the end of March 1959 showed a decline of Rs. 168 crores, but exclusive of the funding. Reserve Bank's holding would show an increase of Rs. 132 crores as compared to the rise of Rs. 476 crores in 1957-58. The investment of the State Governments and other approved bodies also rose by Rs. 73 crores to Rs. 178 crores as against a decline of Rs. 16 crores in 1957-58. In view of the easy conditions in the money market, auction sales of Treasury bills

\* Classified on the basis of earlier date of maturity.

† Actual increase based on Reserve Bank data.

which had remained suspended since April 6, 1956, were resumed from July 29, 1958. Sales of 'intermediate' Treasury bills were also resumed with effect from November 1958. Total net sales of Treasury bills including 'intermediates' during 1958-59 amounted to Rs. 25.5 crores.

**Small Savings.**—Net receipts from small savings for 1958-59 are provisionally placed higher at Rs. 78 crores\* as compared to Rs. 69 crores in 1957-58. During the first three years of the Second Plan, net realisation on account of small savings would have amounted to about Rs. 206 crores or an annual average of Rs. 69 crores as against the annual (average) target of Rs. 100 crores fixed for the Second Plan. The slow rise in small savings collections in the last two years or so has been due mainly to a fall in post office savings bank deposits. Net receipts from post office savings bank deposits, which amounted to Rs. 37 crores in 1955-56, declined to Rs. 29 crores in 1956-57, to Rs. 17 crores in 1957-58 and are provisionally estimated at Rs. 20\* crores in 1958-59.

With a view to intensifying the small savings movement, further steps were taken during 1958-59. To revive the popularity of the postal savings banks (1) the facility for withdrawal by cheques, which was first tried out as an experiment in Bombay in 1956-57, was extended to other selected post offices, (2) the facility of bi-weekly withdrawals, which was first introduced on an experimental basis in selected post offices in Bombay, Madras, Calcutta, and New Delhi was extended to all post offices doing savings bank business and (3) the facility of accepting deposits by cheques was extended to all Head and Sub-post offices. Effective January 1, 1959, the maximum limit of investments in 12-year National Plan Savings Certificates was raised from Rs. 60,000 to Rs. 1 lakh in the case of charitable institutions and from Rs. 15,000 to Rs. 25,000 in the case of banks, incorporated companies and registered firms. With a view to meeting the needs of those who have regular incomes, the Cumulative Time Deposit Scheme (referred to in the last year's Report) was introduced from January 2, 1959. The Scheme provides for monthly deposits for a five or ten year period repayable at the end of the period with compound interest yielding a return of 3.3 per cent per annum for 5-year account and of 3.8 per cent per annum for 10-year account. The maximum limits for individuals are Rs. 200 per month in a 5-year account and Rs. 100 in a 10-year account, the limits for joint accounts being double of those for single accounts. The accounts can be opened in six denominations of Rs. 5, Rs. 10, Rs. 20, Rs. 50, Rs. 100 and Rs. 200. For the budget year 1959-60, net receipts from small savings are placed at Rs. 85 crores.

During 1958-59, the States were granted Rs. 48 crores as loans from the total collections of small savings as against Rs. 40 crores for 1957-58. During 1957-58, the net collections from small savings in each State were pooled with the proceeds of the market loans, if any, floated by that State and the total amount thus pooled was shared between the Centre and the State in the ratio of 1 : 2. In order to provide greater incentive to the States, this formula was further liberalised during 1958-59.

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\* Including accrued interest.

Accordingly, the States can now retain their entire market borrowings and in addition receive two-thirds of the net collections from small savings in their areas.

**Government Balances and Ways and Means Advances:**—During 1958-59, cash balances of the Central Government with the Reserve Bank of India and at Government Treasuries showed a net decline of Rs. 13 crores to Rs. 34 crores as compared to a net decline of Rs. 7 crores in 1957-58.

The Central Government has not resorted to ways and means advances since 1943-44.

### State Governments

**Debt Position.**—During 1958-59, the gross debt of the States increased further by Rs. 306 crores to Rs. 2,059 crores as compared to a rise of Rs. 268 crores in 1957-58. The rise was mainly on account of loans from Central Government which recorded a rise of Rs. 230 crores to Rs. 1,561 crores. Permanent debt (comprising market debt and certain other categories of debt like Zamindari Abolition Compensation Bonds, Encumbered Estate Act Bonds) also increased by Rs. 61 crores to Rs. 347 crores as compared to a rise of Rs. 13 crores in 1957-58. Floating debt (comprising ways and means advances, borrowings from commercial banks, Treasury bills, etc.), however, declined by Rs. 6 crores to Rs. 17 crores as against a small rise of Rs. 3 crores in the previous year.

**State Loans.**—During 1958-59, all the States, excepting Assam, Punjab and Jammu and Kashmir, entered the market for a total of Rs. 50 crores. All the loans carried interest at  $4\frac{1}{2}$  per cent; also, all the loans were of the maturity of 12 years except one loan issued by Bombay with a maturity of 13 years. The issue price ranged from Rs. 99 to Rs. 100 and the redemption yield at issue price ranged from 4.25 per cent to 4.35 per cent. All the loans were over-subscribed. As against an aggregate of Rs. 50 crores issued, subscriptions offered amounted to Rs. 65.84 crores and the subscriptions accepted to Rs. 54.42 crores of which Rs. 5.24 crores represented conversions. Net borrowing of States, after allowing for cash repayments of maturing loans of Rs. 3.19 crores, amounted to Rs. 45.99 crores.

**Balances and Ways and Means Advances:**—During 1958-59, the average month-end cash balance of State Governments with the Reserve Bank and at Government Treasuries was substantially higher at Rs. 20.7 crores as compared to Rs. 5.0 crores only in 1957-58; the balance at the end of 1958-59 was also higher at Rs. 5.1 crores as compared to Rs. 1.5 crores at the end of 1957-58. Reflecting mainly the marked improvement in cash balances, the ways and means position of the States during 1958-59 was more comfortable. The annual average of weekly figures of ways and means advances by the Reserve Bank worked out lower at Rs. 28 crores in 1958-59, as compared to Rs. 33 crores in 1957-58. The amount of outstanding advances at the end of 1958-59 was also lower at Rs. 9.55 crores as compared to Rs. 15.47 crores at the end of 1957-58.

## VIII. BALANCE OF PAYMENTS

**General.**—The strain on India's balance of payments experienced in the previous two years was considerably relieved in 1958-59. Owing to the combination of a much larger inflow of external assistance and a severe curtailment of private imports, the draft on the country's foreign exchange reserves in the third year of the Second Plan was reduced to Rs. 47 crores; it had amounted to Rs. 260 crores in 1957-58 and Rs. 221 crores in 1956-57, even after taking credit for IMF assistance of Rs. 34 crores and Rs. 61 crores, respectively. Export earnings in 1958-59 recorded some further decline and there was also a small reduction in net receipts from invisibles. The current account deficit in 1958-59 at Rs. 339 crores was Rs. 137 crores less than in 1957-58, although it was Rs. 27 crores more than in 1956-57, the first year of the Second Plan. Foreign exchange reserves stood at Rs. 374.6 crores at the end of March 1959 as against Rs. 421.2 crores a year ago. The loss of reserves was concentrated in the first seven months of the year and amounted to Rs. 91 crores; in the last five months of the year there was an accretion to the reserves of Rs. 44 crores\*.

**Quarterly and Overall Position.**—The overall position of balance of payments during the first three years of the Second Plan and the quarterly trends during 1958-59 are given in the table below :—

**India's Overall Balance of Payments**

	(Rs. crores)						
	April-June 1958	July-Sept. 1958	Oct.-Dec. 1958	Jan.-March 1959	1958-59 (Preliminary)	1957-58 (Revised)	1956-57
Imports, c.i.f. :							
(a) Private ...	142.2	133.0	127.4	116.0	518.6	695.1	811.9
(b) Government ...	135.0	115.8	127.1	150.0	527.9	509.1	287.6
Total Imports (a + b) ...	277.2	248.8	254.5	266.0	1046.5	1204.2	1099.5
Exports, f.o.b. ...	127.0	126.5	161.9	160.7	576.1	594.7†	635.2
Trade Balance ...	150.2	122.3	92.6	105.3	470.4	609.5	464.3
Official Donations ...	13.6	10.8	9.1	7.4	40.9	32.7	39.5
Other Invisibles (net) ...	16.4	20.9	20.5	32.9	90.7	100.9	112.5
Current Account (net) ...	120.2	90.6	63.0	65.0	338.8	475.9	312.3
Errors and Omissions ...	1.8	10.1	23.9	16.0	28.0	4.1	1.6
Official Loans ...	44.7	50.8	58.8	62.4	216.7	92.3	30.7
Other Capital Transactions (net) ...	24.2	7.1	37.1	49.3	103.5	127.8	58.7
Movement in Foreign Exchange Reserves, (increase + decrease -) ...	49.5	36.8	9.0	30.7	46.6	259.9	221.3

†For convenience, transactions relating to repatriation of lend-lease silver valued at Rs. 74.4 crores have been excluded from this as well as from other tables in this Chapter.

\*Including Rs. 13 crores of an advance payment by the U. K. from the Excess Pensions Annuities.



The divergent movement in the quarterly reserves noticed above was in part the result of the strikingly different distribution of the current account deficit between the two halves of 1958-59, namely, Rs. 211 crores in the first half and Rs. 128 crores in the second. Even ordinarily the two halves of the financial year reflect the impact of seasonal factors, particularly in regard to exports—the second half being usually a better period for export earnings. In the second half of 1958-59, however, a rise of Rs. 69 crores in export receipts coincided with a fall in imports and a moderate rise in net invisible receipts. Simultaneously, there was an appreciable increase in the quantum of external assistance. Hence the marked improvement, as evidenced by the actual increase in reserves, in this half year.

Quarter-wise, the current account deficit was largest in the first quarter (Rs. 120 crores) but declined progressively to Rs. 91 crores in the second and to roughly Rs. 64 crores in each of the remaining two quarters of the year. These quarterly deficits were considerably below those in the corresponding periods of the previous year. The first quarter deficit of 1958-59 compares quite favourably with the highest quarterly deficit of Rs. 155 crores recorded in April-June 1957. The narrowing of the current account gap in the third quarter resulted from the substantial seasonal rise in export earnings which more than matched the moderate rise in imports. In the last quarter, although there was a rise in imports, and exports were more or less stationary at around the third quarter's level, there was a sizeable marking up of invisible receipts which kept the current account deficit almost unchanged.

**Regional Pattern.**—The narrowing down of the overall payments deficit was reflected in smaller deficits in respect of the three major currency groups, viz., sterling, dollar and the continental OEEC countries. The residual group of countries comprising 'rest of non-sterling area', however, showed a contrary trend, the deficit showing a slight increase over the previous year.

**Regional Surplus (+) Deficit(—)**

							(Rs. crores)	
		1958-59 (Preliminary)					1957-58 (Revised)	1956-57
		April- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Year 1958-59		
Sterling Area	...	33.7	6.7	+ 14.6	— 10.6	— 36.4	— 74.0	— 37.9
Dollar Area	...	12.1	11.1	— 30.8	— 21.9	— 75.9	— 109.2	— 44.5
OEEC Countries	...	49.2	47.5	— 39.0	— 32.8	— 168.5	— 241.1	— 199.9
Rest of Non-Sterling Area	—	25.2	25.3	— 7.8	0.3	— 58.0	— 51.6	— 30.0
<b>Total</b>	...	<b>— 120.2</b>	<b>— 90.6</b>	<b>— 63.0</b>	<b>— 65.0</b>	<b>— 338.8</b>	<b>— 475.9</b>	<b>— 312.3</b>

In relation to the OEEC countries, the deficit narrowed down to about Rs. 169 crores from Rs. 241 crores in 1957-58, largely owing to a sharp cut of Rs. 84 crores in

import payments. As in the previous two years, the heaviest deficit was incurred in transactions with the *Continental group of OEEC countries*. The deficit with the *sterling area* was halved from Rs. 74 crores in 1957-58 to Rs. 36 crores. This improvement stemmed mainly from a reduction in imports (Rs. 57 crores) and a slight rise in export receipts (Rs. 2 crores), offset in part by a fall in invisible receipts (Rs. 21 crores). The improvement with the dollar area was also substantial, the current account deficit having fallen, again owing to lower imports, from Rs. 109 crores to Rs. 76 crores. In the case of the 'rest of non-sterling area', there was further deterioration, although moderate, the deficit widening from Rs. 52 crores to Rs. 58 crores between the two years. Compared to 1956-57, the position appears to have worsened in respect of the dollar and the 'rest of non-sterling' areas, while in the case of OEEC countries the figures appear to make a somewhat better showing.

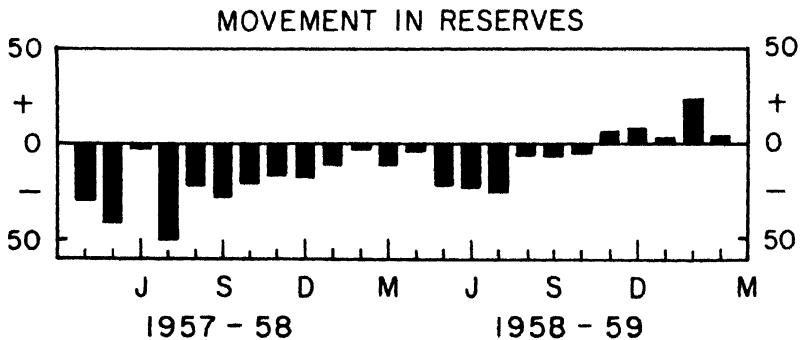
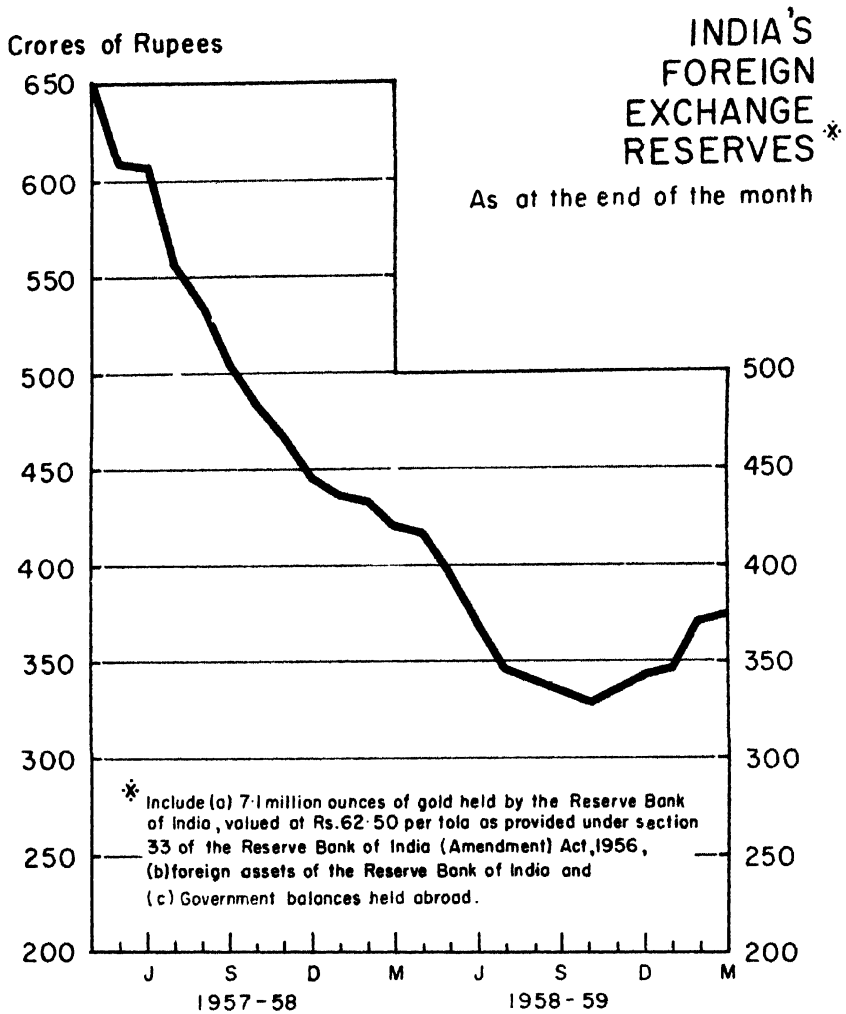
**Pattern of Trade.**—The export and import figures\* revealed a further narrowing down of the trade deficit from Rs. 610 crores in 1957-58 to Rs. 470 crores in 1958-59. The smaller adverse balance was, however, achieved at a reduced level of trade ; aggregate import payments declined by as much as Rs. 158 crores ; export receipts also declined, although moderately, by Rs. 19 crores. The fall in imports was brought about wholly through a further contraction in private imports ; Government imports continued to rise and reached a record figure of Rs. 528 crores.

**Exports.**—The performance of exports, despite efforts to stimulate them, was not encouraging, mainly owing to adverse circumstances abroad. At Rs. 576 crores, the level of export earnings in 1958-59 was Rs. 19 crores less than in the preceding year and as much as Rs. 59 crores less than in 1956-57. In the first two quarters of the year, normally a lean period for exports, the average earnings reached an unusually low figure of about Rs. 127 crores. In October-December, although export earnings showed a seasonal recovery, the level attained (Rs. 162 crores) was still below that in the corresponding quarter of the previous three years. In the last quarter too, the performance of exports was only moderately good, the combined figures for the two quarters being nearly equal to the level attained in the corresponding period of 1957-58. As compared to the second half of 1955-56 and 1956-57, however, export receipts during the second half of 1958-59 were disappointing.

Export earnings during the year appear to have suffered from the operation of several adverse factors. Some of these are best described as the backlog of recession : in the U.S. and Western Europe, although the recession had already worked itself out by the beginning of 1958-59, the demand for raw materials and semi-finished articles continued to be low. The index of industrial production in the U.S. (base: 1947-49 = 100), which had remained steady at 143 in 1956 and 1957, fell to 134 in 1958; the index of U.S. steel production had continuously fallen from 143 in 1956 to 139 in 1957 and 105 in 1958. This had a direct bearing on our exports of manganese ore which fell by Rs. 16 crores to Rs. 13 crores in 1958-59; roughly half the fall was on

\*The figures for imports and exports are based on Exchange Control records and are not comparable with those published by the D. G. C. I. & S.

GRAPH 15



account of the U.S. As regards India's share of the total export trade in individual commodities, however, the position appears to have been maintained both in respect of manganese ore and jute goods. The export incomes of several primary producing countries in South East Asia and Africa and parts of Latin America had been adversely affected as a result of the recession in Western Countries. The resulting tendency of these countries to curtail their imports influenced our exports, particularly of cotton textiles. Another factor weakening the sales of our cotton manufactures in the South East Asian markets was, of course, the growing competition from low-cost competitors such as Japan and China. Taking the year as a whole, the decline in earnings from exports of cotton textiles and jute goods was as much as Rs. 14 crores (to Rs. 62 crores) and Rs. 12 crores (to Rs. 106 crores), respectively.

The restrictive import policy necessitated by the strain on foreign exchange resources has tended to divert supplies of exportable raw materials and finished goods to the domestic market. To a large extent, this has curtailed the volume of Indian products available for export as well as raised their domestic prices. The main item which seems to have suffered on account of the influence of the domestic market is vegetable oils, which recorded a fall of Rs. 5 crores (to Rs. 10 crores) during 1958-59.

Significant exceptions to the general downturn in export earnings were those from tea and raw cotton. In contrast to a sharp drop in 1957-58 (Rs. 30 crores), tea exports recorded a rise of Rs. 19 crores (to Rs. 138 crores) in 1958-59. A re-emergence of demand from the U.K. following depletion of stocks in London resulted in a larger offtake of Indian tea during 1958-59. Larger purchases by the U.S.S.R. and Egypt also helped. The increase of Rs. 7 crores in raw cotton exports was mostly attributable to Japan, which has traditionally been the most important buyer of this commodity.

**Imports.**—Aggregate import payments in 1958-59 at Rs. 1,047 crores represented a fall of Rs. 157 crores over 1957-58. This was in contrast to a rise of Rs. 105 crores witnessed in the previous year when the import bill had reached a record figure of Rs. 1,204 crores. The decline in payments for imports in the year under review is attributable entirely to the private sector. Imports by this sector, subject to a restrictive import policy since mid-1957, declined during the year to Rs. 519 crores—the lowest level reached since 1954-55. As compared to 1957-58 there was a reduction of Rs. 177 crores in private imports; in contrast, Government imports rose by about Rs. 19 crores.

**Private Imports.**—The main brunt of the import cuts fell on the category of goods described as wholly or mainly manufactured. The fall was more marked in the case of machinery, purchases of which declined by Rs. 56 crores; iron and steel imports were lower by Rs. 41 crores. Prominent among other commodity groups which recorded declines were 'other metals', vehicles, electrical goods, cutlery and hardware, dyes and colours and drugs and medicines. Imports of raw materials, in contrast, were higher probably owing to the relatively liberal policy adopted by the Government in respect of what have been termed imports for the maintenance of

the economy. The rise in this group, though not substantial in itself, is significant in view of the curtailment in aggregate imports and in relation to the reduction which this group had suffered in the earlier year. Raw cotton imports rose by Rs. 6 crores (as against a substantial contraction of Rs. 30 crores in 1957-58), thanks to relatively liberal licensing and easy supply conditions in East Africa and Egypt. Import payments for mineral oil were lower by Rs. 8 crores whereas those for chemicals increased by Rs. 2 crores.

**Government Imports.**—The public sector imports, continuing the rising trend noticed since late 1956, touched a high of Rs. 528 crores in 1958-59. At this level, these imports for the first time accounted for half the total import bill, the proportion in 1957-58 being around 40 per cent of the total. It is significant, however, that the total rise in 1958-59 was appreciably smaller (Rs. 19 crores) than in the previous year, when Government imports had spurted up by Rs. 222 crores. One reason for the slower rate of increase in the public sector's share is evidently the effort to limit non-developmental imports to the minimum. It was in fact imports—both developmental and non-developmental—which were financed out of foreign aid that went up last year; imports which were financed through the Government's own resources were actually lower. Among the different items, imports of capital equipment for Government projects and railway stores accounted for a rise of around Rs. 76 crores; imports of iron and steel and other stores together were lower by Rs. 47 crores. Imports of food were lower by Rs. 10 crores than in the previous year; the decline was largely in the case of food imports financed through the country's own resources.

**Invisibles and Capital Account.**—Net invisible receipts, excluding official donations, declined further to Rs. 91 crores or Rs. 10 crores below the level of the previous year. Significant changes in the components of this item over the year were, first, larger net payments on investment income account and a decline in net receipts on account of private donations and transportation. These were in part offset by larger receipts on account of the item 'Government not included elsewhere'. Larger net payments (Rs. 12.7 crores as against Rs. 5.4 crores) on investment income account reflected mainly reduced earnings from our investments abroad (owing in turn chiefly to the fall in Reserve Bank's foreign assets) and increased payments for the servicing of the outstanding external debt. Net receipts on account of private donations\* and transportation were lower by Rs. 9 crores and nearly Rs. 2 crores, respectively. Net receipts on account of the item 'Government not included elsewhere', however, were higher by nearly Rs. 15 crores: this was largely due to increased expenditure by the U.S. Embassy out of the P.L. 480 balances held by it in this country.

Receipts of official donations increased by Rs. 8 crores during 1958-59 to Rs. 41 crores. A large portion of this increase was on account of receipts from the U.S.A. under the TCA programme.

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\* The figures for 1958-59 in respect of two items, viz., private donations and GNIE are not strictly comparable with those in 1957-58. The figure of GNIE for 1958-59 includes money order receipts settled through the High Commission Account (London) which should come under private donations. In the 1957-58 data, such receipts are shown under private donations.

The most significant change in capital receipts was associated with the substantial rise in the quantum of official loans received. Receipts from various foreign official loans were stepped up considerably during 1958-59, totalling as much as Rs. 217 crores as against Rs. 92 crores in 1957-58. Major components were drawings on IBRD loans (Rs. 74 crores) and credits amounting to Rs. 96 crores for the Bhilai, Durgapur and Rourkela Steel projects. The balance included drawings under the U.S. TCA, Development Loan Fund and the Eximbank loans, the Canadian Wheat loan and credits from the U.K., Western Germany, Japan and the USSR.

During 1958-59, net receipts from other capital transactions amounted to Rs. 104 crores as against Rs. 128 crores in 1957-58. Inflow of capital of about Rs. 183 crores in 1958-59 (mainly comprising receipts under P.L. 480 and U.K. pensions annuities) more than offset the payments in respect of private and banking capital and repayment charges for IBRD and other outstanding foreign loans.

The current account deficit of Rs. 339 crores was thus largely met from a net capital inflow of Rs. 320 crores. Allowing for a net outflow of Rs. 28 crores in respect of the unidentifiable transactions comprising errors and omissions, there occurred a residual deficit of Rs. 47 crores which was financed through the drawing down of reserves.

**External Assistance.**--The pressure on India's foreign exchange reserves during the first three years of the Second Plan was considerably relieved by the assistance received from the I.B.R.D. and some foreign countries. An outstanding development in this sphere was the meetings convened by the I.B.R.D. in Washington, first in August 1958 and again in March 1959, the participating countries being the U.S.A., U.K., Canada, West Germany and Japan to explore the means of meeting India's foreign exchange requirements during the rest of the Plan period. As a result of the first meeting, foreign assistance worth \$ 360 million was secured, while a substantial amount was promised in March 1959, to cover the foreign exchange gap in the year 1959-60.

Details regarding external assistance authorised and utilised upto the end of March 1959 are shown in the table on page 78. External assistance received by India as at the end of the First Plan amounted to Rs. 405 crores, of which Rs. 190 crores remained unutilised and was available for the Second Plan. During the first three years of the Second Plan, the scale of foreign aid was considerably stepped up, even exceeding the originally expected targets for the whole of the Second Plan. Including a carry-over of Rs. 190 crores from the First Plan, total assistance available for the Second Plan as at the end of March 1959 amounted to around Rs. 1,216 crores. Of this, Rs. 697 crores was estimated to have been utilised during the first three years of the Second Plan, so that around Rs. 519 crores is available for utilisation during the rest of the Plan period.

## External Assistance—Authorised And Utilised

(Rupees Crores)								
	Aid authorised as at the end of First Plan	Aid utilised upto the end of First Plan	Balance available for utilisation during the Second Plan	Aid authorised between April 1956 and March 1959	Total available for utilisation during the Second Plan	Estimated utilisation between April 1956 and March 1959	Balance available for utilisation as at the end of March 1959	
<b>I. LOANS AND CREDITS:</b>								
1. From I.B.R.D. ....	57.7	33.8	23.9	183.8	207.7	162.5	45.2	
2. From U.S.A.—								
(i) Wheat loan 1951 .....	90.3	90.3	—	—	—	—	—	
(ii) Eximbank loan .....	—	—	—	71.4	71.4	1.2	70.2	
(iii) Loans from Development Loan Fund .....	—	—	—	83.3	83.3	6.9	76.4	
(iv) Asian Economic Development Fund .....	—	—	—	—	—	—	—	
(v) Loan for Orissa Iron Ore project .....	—	—	—	9.5	9.5	—	9.5	
(vi) Loans under TCA Programme .....	39.3	3.0	36.3	22.6	58.9	39.9	19.0	
(vii) U. S. Banks' loan to Air India International .....	—	—	—	5.3	5.3	—	5.3	
3. From Canada—Wheat loans .....	—	—	—	15.7	15.7	15.7	—	
4. From United Kingdom—								
(i) Lazard Brothers' Credit (Durgapur) .....	—	—	—	15.3	15.3	9.4	5.9	
(ii) E.C.G.D. loan I (Durgapur) .....	—	—	—	20.0	20.0	20.0	—	
(iii) E.C.G.D. loan II (Capital goods) .....	—	—	—	38.0	38.0	5.0	33.0	
5. From West Germany—								
(i) Credit for Rourkela Steel Plant .....	—	—	—	74.8	74.8	42.0	32.8	
(ii) Industrial Projects Credit of Jan. 1959 .....	—	—	—	19.0	19.0	4.5	14.5	
6. From Japan—								
(i) Yen Credit of 1958 .....	—	—	—	23.8	23.8	0.2	23.6	
(ii) Loan for Orissa Iron Ore project .....	—	—	—	3.8	3.8	—	3.8	
7. From U. S. S. R.—								
(i) Credit for Bhilai Steel Plant .....	63.1	—	63.1	—	63.1	52.1	11.0	
(ii) Credit for Industrial Enterprises .....	—	—	—	59.5	59.5	0.1	59.4	
<b>Total of I</b> .....	<b>250.4</b>	<b>127.1</b>	<b>123.3</b>	<b>645.8</b>	<b>769.1</b>	<b>359.5</b>	<b>409.6</b>	
<b>II. GRANTS :</b>								
1. T.C.A. grants (excluding P.L. 665) .....	85.6	42.0	43.6	8.7	52.3	51.6	0.7	
2. Colombo Plan grants .....	45.5	25.2	20.3	37.5	57.8	28.4	29.4	
3. Norwegian grants .....	0.7	0.7	—	1.0	1.0	1.0	—	
4. Ford Foundation grants .....	5.5	2.3	3.2	4.2	7.4	2.7	4.7	
<b>Total of II</b> .....	<b>137.3</b>	<b>70.2</b>	<b>67.1</b>	<b>51.4</b>	<b>118.5</b>	<b>83.7</b>	<b>34.8</b>	
III. P. L. 480 and P.L. 665 Assistance* .....	16.9	16.9	—	329.0	329.0	254.1	74.9	
<b>Grand Total (I to III)</b> .....	<b>404.6</b>	<b>214.2</b>	<b>190.4</b>	<b>1026.2</b>	<b>1216.6</b>	<b>697.3</b>	<b>519.3</b>	

N.B.—The figures of grants and loans etc. given here do not tally exactly with those in the balance of payments table on page 72 because of discrepancies in the accounting of foreign aid.

\* These refer to the import of wheat etc. and not to loans, grants made to Government or to any firm.

**Developments in Exchange Control.**—The major developments in exchange control in India during 1958-59 are given below :—

(1) In order to facilitate remittances to India by Indian nationals resident abroad, certain relaxations in the rules were made. Under the new simplified procedure, authorised dealers in foreign exchange are not required to obtain the prior approval of the Reserve Bank for inward remittances made by Indian nationals resident in the Sterling Area for credit to their own accounts in India or for payment to Indian nationals resident in India, irrespective of the amount involved. Similarly, the limit upto which authorised dealers are permitted to debit non-resident rupee accounts of persons and firms (other than banks) without reference to the Reserve Bank was raised in the last week of June from Rs. 500 to Rs. 1,000.

(2) With effect from September 2, 1958, trade and other invisible payments between India and Pakistan were allowed to be made in Indian rupees, Pakistan rupees, sterling or any sterling area currency. Accordingly, the Reserve Bank discontinued buying and selling of Pakistan rupees and authorised dealers were permitted to deal in Pakistan currency at market rates. Balances held in Indian rupee accounts of banks in Pakistan are convertible into Pakistan rupees, sterling or any sterling area currency ; balances held in Pakistan rupee accounts of banks in India were similarly convertible.

(3) Under the Government of India notification dated March 25, 1947, residents in India acquiring U.S. dollars or Philippine pesos were required to surrender them to the Control within a period of one month from acquisition. By a notification dated September 25, 1958, the scope of this obligation was enlarged to include various foreign currencies. Sterling accounts maintained prior to July 8, 1947 and foreign currency accounts maintained by persons resident but not domiciled in India were, however, exempted from the scope of this notification.

(4) From October 17, 1958, the free limit of Indian and foreign currency notes that could be taken out from India by travellers was reduced from Rs. 270 to Rs. 75.

(5) As from December 29, 1958, the United Kingdom Control unified all American, Canadian, Transferable and Registered Accounts under the name of "External Accounts" resulting in free transfers between them. Sterling in non-resident hands thus became freely transferable throughout the world and exchangeable for any currency. Similar action was taken by twelve other Continental countries. viz., France, W. Germany, Austria, Belgium, Luxembourg, Denmark, Italy, Netherlands, Norway, Portugal, Sweden and Finland. In order to adapt our regulations to these changes, the American Accounts were merged with the Transferable Accounts and these accounts were redesignated as "Convertible Accounts". Rupees held in such accounts are freely transferable within the group and can also be exchanged into sterling or any specified currency. The trade agreements which the Government of India concluded with the Governments of the



**U.S.S.R., the German Democratic Republic and Poland** require that all financial transactions with these countries should be conducted on a rupee basis and that balances held by banks resident in these countries will not be transferable to any other country or convertible into any foreign currency. Accordingly, these countries were placed in a "Bilateral Account" group as from February 10, 1959. Payments for all goods imported from these countries may now be made only in rupees to the credit of accounts of banks in the supplying country; similarly, exports to these countries and other payments and receipts may only be settled in rupees.

(6) In view of the active participation of Indian banks in financing the country's foreign trade and the considerable expansion of their foreign exchange business, it was considered desirable to form a composite Association of all authorized dealers. Accordingly, the "Foreign Exchange Dealer's Association of India" was formed and started functioning from August 1, 1958.

**Issue of Special Notes for circulation in certain Territories outside India.**—A reference has been made elsewhere in this Report to the decision taken by the Government of India, towards the close of April 1959, to introduce a special series of Indian notes in replacement of the Indian notes in circulation in certain territories outside India (For details see Chapter IX). Facilities for the exchange of the existing notes into special notes were provided from May 11 to June 21, 1959 and, effective from June 22, the facilities hitherto enjoyed by banks in the Gulf States for conversion into sterling or credit to their non-resident accounts of the proceeds of repatriated ordinary Indian currency notes were withdrawn. From this date, such facilities were to be granted in respect of 'special' Gulf notes repatriated to India: supplies of special notes were to be obtained by Gulf banks against payment either out of their rupee non-resident accounts or in sterling. It was also decided to supply special 'Haj' notes to Indian pilgrims proceeding on Haj pilgrimage with effect from May 2, 1959. Pilgrims who left India before this date were supplied with ordinary rupee notes and the Government agreed to allow banks in Saudi Arabia the usual repatriation and conversion facilities in respect of such ordinary notes till July 31, 1959. After July 31, 1959, such facilities will be granted in respect of the special 'Haj' notes only.

Following the above changes, it was decided to withdraw, with effect from June 22, 1959, the facility hitherto enjoyed by overseas banks generally, to send to their correspondents in India, Indian currency notes purchased by them from *bona fide* travellers from India and have the proceeds thereof credited to their non-resident rupee account or remitted in foreign currency. With effect from the same date, it was not permissible for any person to send to India rupee notes which are legal tender in India. Passengers coming into India may, however, bring in with them ordinary rupee notes as hitherto, but any special 'Gulf' notes brought in must be declared to the Customs on arrival.

**Trade Policy.**—Increasing emphasis on export promotion was the keynote of trade policy during the year 1958-59. Although import policy for the year was

directed towards limiting imports, it was modified somewhat to subserve the ends of export promotion through special schemes for the supply of raw materials needed for the manufacture of export goods.

Import policy for the first half of 1958-59 continued to be restrictive as before except for a few minor marginal adjustments and modifications aimed at relieving the shortage of raw materials and components experienced by some of the industries. Import policy for the second half of the year was liberalised, to a small extent, in respect of consumer items like infant-foods, time-pieces, photographic goods and x-ray films which, owing to tighter import-licensing during the preceding half-year, were in short supply. There was also some liberalisation with regard to the issue of import licences for capital goods mainly in view of the foreign assistance that would be available from the Development Loan Fund and the Export-Import Bank loans.

In keeping with the emphasis on export promotion, a large number of measures were taken during the year, though as yet these have not produced any tangible results on the whole.

Export control was liberalised and about 200 export items were freed from control. These included cotton textiles, jute goods, castor oil, electrical instruments and appliances, manufactures of iron and steel, aluminium and brass. Larger export quotas were granted in respect of several items which included raw cotton, groundnut oil-cake and tea, while quotas were revived in respect of some items like HPS groundnuts and groundnut oil, exports of which had been banned since 1955-56. Higher priority was granted in respect of the movement of export commodities (e.g. cotton textiles, molasses, power alcohol and raw tobacco) by rail from the interior to the ports.

During the year, the Government granted a number of fiscal concessions in order to make Indian goods more competitive in foreign markets. These included (i) abolition of export duties on a number of items (e.g. groundnut oil, castor oil and manganese ore) and reduction in the levels of duties on some other items (raw cotton and tea), (ii) extension of the schemes of rebate of excise duty and of drawback of customs duty to cover a large number of items entering into production of goods for export, (iii) grant of rebate of 50 per cent on freight for a number of commodities transported by rail from the interior to the ports (e.g. motor vehicle batteries, oil pressure lamps and bicycles), (iv) modification of the Bill Market Scheme to cover export bills and (v) offer of guarantee by the Export Risks Insurance Corporation to banks which granted loans to the exporter who had insured with the Corporation.

In addition to continuing and expanding the scope of the scheme which ensured availability of imported raw materials to producers of goods for export, the Government instituted certain special schemes which involved the linking of imports

of raw materials and components to the export performance of the exporters. During the year, for instance, a scheme was drawn up to provide incentives to cotton textile mills in order to step up the level of the exports. Mills exporting cotton cloth or yarn would be granted licences for the import of coal tar dyes, textile chemicals and gums and raw cotton up to certain specified percentages of the f.o.b. value of their exports (for details *vide* Statement 77). The list of items of raw materials for which licences would be issued against export performance was expanded considerably during the year. The only exception to this general development was the suspension of the incentive scheme in respect of art-silk exports.

In the case of exports like groundnut oil and salad oil, established shippers were allowed special quotas for the export of oil-cakes. For instance, in January 1959, exporters of groundnut oil were allowed to export one ton of groundnut oil-cake for every ton of groundnut oil exported. Again in March 1959, permission was given to export  $3\frac{1}{2}$  tons and 4 tons of groundnut oil-cake (expeller variety) for every ton of groundnut oil and salad oil, respectively, exported by established shippers against contracts concluded during the period March-May 1959.

A scheme of compulsory exports was introduced in respect of sugar. In June 1958 an Ordinance was issued by the Government of India fixing the export quota for sugar at 50,000 tons for the season ended October 1958. Again in December 1958, the Government of India decided to release a quantity of one lakh tons of sugar for export during the period ending October 1959.

Trade agreements concluded during the year aimed at enlarging the markets for Indian exports, in addition to ensuring a balance in the trade between India and partner countries. This was particularly true of the agreements concluded with East European countries like Poland, East Germany and the U.S.S.R. The main features of these agreements are referred to in subsequent paragraphs.

The measures enumerated above were supplemented by the activities of special institutions like the State Trading Corporation (STC), the Export Risks Insurance Corporation and the Directorate of Export Promotion.

During the year the Directorate of Export Promotion rendered some direct services such as the framing of simplified rules for a number of items subject to drawback and rebate schemes, the preparation of rules for manufacture-in-bond and subsequent export of items like aluminium products made from imported ingots, umbrellas, cigarettes, handicrafts and grant of assistance to exporters in securing passport, visa and foreign exchange sanction for *bona fide* trade promotion tours abroad. The STC intensified its activities particularly with regard to exports. These activities comprised, *inter alia*, provision of service facilities to private traders for establishing business contacts with Sino-Soviet countries, commencement of 'compensation transactions', conclusion of bulk contracts with foreign buyers for the supply of iron ore and preservation of contacts with traditional buyers of manganese ore by means of 'joint-sales programmes'.

The Export Risks Insurance Corporation opened offices at Calcutta and Madras in order to reach more easily the exporters in other centres. During the year 1958-59, the Corporation issued 176 policies, undertaking maximum liability for Rs. 6.83 crores.

**Trade Agreements.**—During the year, new agreements were concluded by the Government of India with three countries, viz., Ethiopia, U.S.S.R. and Iraq and agreements with eleven countries were extended or modified (*vide* Statement 88 ). Of the agreements signed this year, the agreement with Ethiopia was concluded for the first time with that country bringing the total number of trade agreements in force to 27(a). While the Indo-U.S.S.R. agreement is for five years, the Indo-Ethiopian and Indo-Iraqi agreements are valid for one year only. Many of the agreements concluded or modified during the year are directed towards ensuring a balance in India's bilateral trade in addition to enlarging the markets for Indian exports. This is sought to be achieved by (i) providing for payment for imports in non-convertible rupees, thereby inducing the contracting country to purchase Indian goods or to spend the proceeds within the country (b), (ii) providing credit arrangements to facilitate purchase of Indian goods (b) and (iii) fixing monetary or quantitative ceilings for imports and exports.

A barter agreement with the U.S.A. was also signed during the year for the import of wheat against export of manganese ore and ferro-manganese.

Besides the agreements concluded by the Government of India, the STC also concluded four agreements with the foreign trade organisations of Czechoslovakia, Hungary, Yugoslavia and Mongolia. Of these, the agreement with Yugoslavia was an extension of the original agreement, by three years, upto 1961. The agreements with Czechoslovakia and Hungary are operative for one year and one and a half years, respectively, while that with Mongolia is valid till the conclusion of an agreement between the Governments of the two countries. The specific feature of the agreements concluded by the STC was the stipulation to effect or actively facilitate exchange of specified commodities. Commodity lists included in the agreements were exhaustive and not illustrative. In the agreements concluded by the STC, provision was invariably made for settlement of accounts with all procedural details.

**Tariff Commission.**—During 1958-59, the Commission conducted twelve tariff inquiries relating to continuance of protection and three major price inquiries.

Tariff inquiries were conducted in respect of the following industries: aluminium, antimony, artificial-silk, bichromates, calcium carbide, caustic soda and bleaching powder, cocoa powder and chocolate, electric motors, sericulture, soda ash, engineers' steel files and rasps and para-aminosalicylic acid.

(a) These are : (1) Afghanistan, (2) Austria, (3) Bulgaria, (4) Burma, (5) Ceylon (6) Chile (7) China, (8) Czechoslovakia, (9) Egypt, (10) Ethiopia, (11) Finland, (12) Greece (13) Germany, East, (14) Germany, West, (15) Hungary, (16) Indonesia, (17) Italy, (18) Japan (19) Norway, (20) Pakistan, (21) Poland, (22) Rumania, (23) Sweden, (24) USSR, (25) Yugoslavia (26) Viet Nam, North and (27) Iraq.

(b) E.g. U.S.S.R., East Germany and Poland.

The Government of India announced their decisions accepting the main recommendations of the Commission on the twelve industries mentioned above. In accordance with these decisions, protection would be continued at the existing rates of duty in respect of aluminium, calcium carbide, caustic soda, electric motors, sericulture and soda ash industries while in the case of the antimony industry, protection would be continued but the rate of duty which was raised from 31½ per cent to 60 per cent *ad valorem* in 1957 would be reduced to 45 per cent *ad valorem* or Rs. 45 per cwt. whichever was higher. As regards engineers' steel files, the period of protection was extended by another year and certain modifications were made in the existing rates of protective duty levied on different sizes of steel files. Tariff protection was withdrawn with effect from January 1, 1959 in respect of art-silk, bichromates, bleaching powder, cocoa powder and chocolate and rasps. The claim for protection/assistance by the para-aminosalicylic acid industry whether by way of exemption of duty on meta-aminophenol (MAP) or protective tariff or subsidy was rejected.

The three price inquiries related to (1) cement, (2) steel produced by the Tata Iron and Steel Co. (TISCO) and the Indian Iron and Steel Co. (IISCO), and (3) steel and pig iron produced by the Mysore Iron and Steel Works.

As regards cement, the Commission recommended that the ex-works prices of unpacked cement should be fixed at different rates (ranging from Rs. 54.50 per ton in the case of Rohtas to Rs. 80.50 per ton in the case of Travancore Cements) for different factories, and should be in force from January 1, 1958 to December 31, 1960, except in the case of the Dalmia Cement (Bharat) Ltd., the price in respect of which should be in force till the end of 1959. The Government of India accepted the recommendation regarding the revised prices payable to cement producers. It was, however, decided that the period should be fixed from July 1, 1958 to June 30, 1961, in view of the administrative and financial difficulties that would arise if revised prices were given effect to with retrospective effect and also because the existing arrangement and prices under the Cement Control Order were effective till June 30, 1958. With regard to the system of rebate, the Government of India accepted the Commission's recommendation and decided that the rebates now allowed by certain producers under rate-contracts with the Director General of Supplies and Disposals (D.G.S. & D.) would be paid by the STC to the D.G.S. & D. on such terms as might be agreed upon.

In regard to the average retention prices of steel produced by TISCO and IISCO, the Commission recommended that (1) the average prices payable to these two companies for the period 1955-56 to 1959-60 on all categories of steel should be increased by Rs. 46 per ton over and above the increase sanctioned in July 1957; (2) the 1954-55 adjusted retention price for IISCO should be increased by the same amount; and (3) whereas the 1954-55 adjusted retention price for TISCO had increased by Rs. 44 per ton, the average amount to be credited by the company to its Development Fund during the period 1955-56 to 1959-60 should be increased by Rs. 2 to Rs. 50 per ton. The Government of India decided to increase the average

retention price payable to TISCO and IISCO, for the period 1955-56 to 1959-60 and for all categories of steel taken together, by Rs. 14 per ton over the increase of Rs. 12 per ton sanctioned in July 1957. This would enable the two companies to credit Rs. 50 and Rs. 7 per ton, respectively, to their Development Fund. In the case of pig iron and steel produced by the Mysore Iron and Steel Works, the Commission recommended that the average retention prices for pig iron and steel for the period April 1955 to March 1959 should be increased by Rs. 6 and Rs. 42 per ton, respectively, on a weighted average basis. The Government accepted the Commission's recommendations but the rates of increase were fixed at Rs. 5 per ton for pig iron and Rs. 20 per ton for steel. It was also decided that the price differentials for the various grades of pig iron would be maintained at the same level as recommended by the Tariff Commission in its 1956 report; and that adjustments in respect of the increased excise duty levied on steel ingots from May 16, 1957 would be made only on despatches of steel after that date.

## IX. CURRENCY AND COINAGE

The rising trend in currency circulation, noticed since 1953-54, gathered strength during 1958-59, the increase during the year being appreciably higher at Rs. 126.2 crores as compared to only Rs. 52.3 crores in 1957-58 and Rs. 55.7 crores in 1956-57.

During the year, while notes in circulation recorded a further sharp rise in continuation of the trend noticed from 1953-54, and rupee coin (including Government of India one-rupee notes) also showed a rise, although moderate, after two years of decline, small coin showed a small contraction following continuous increases in the preceding three years.

**Circulation of Notes.**—Notes in circulation expanded during 1958-59 by Rs. 122 crores (8.0 per cent) to Rs. 1,658 crores\*. This rise was more than double the increase in 1957-58 (Rs. 53 crores or 3.6 per cent) but was smaller as compared to the sharp rise of Rs. 190 crores recorded in 1955-56.

Denomination-wise, the rise of Rs. 84 crores in circulation of notes during the calendar year 1958† was shared by all except the Rs. 1,000 and Rs. 5,000 denominations, which recorded declines. However, as a proportion to total notes in circulation only two denominations, namely, Rs. 100 and Rs. 10,000 recorded increases. The Rs. 100 denomination continued to gain in popularity, its proportion to total notes in circulation rising from 42.8 per cent at the end of 1957 to 45.1 per cent—the largest for any denomination. The Rs. 10 denomination continued to hold the second place, but its proportion to total notes in circulation recorded a further decline from 40.4 per cent to 38.9 per cent; it was 41.0 per cent at the end of 1955. The proportion of the Rs. 5 denomination, which had declined steadily from 11.6 per cent at the end of 1955 to 10.2 per cent at the end of 1957, also moved down further to 9.7 per cent. The percentage of the Rs. 2 denomination to total notes, which had remained unchanged at 1.9 per cent in the two previous years declined slightly to 1.8 per cent. The aggregate share of the new high denomination notes, issued since April 1954, declined from 4.7 per cent to 4.5 per cent; the share of the Rs. 1,000 and Rs. 5,000 denomination declined by 0.2 per cent each to 3.1 per cent and 0.6 per cent, respectively, while that of the Rs. 10,000 denomination increased from 0.6 per cent to 0.8 per cent. The total circulation of the new high denomination notes showed a small decline over the year from Rs. 73 crores to Rs. 72 crores; of these, Rs. 49 crores was in Rs. 1,000 notes, Rs. 10 crores in Rs. 5,000 notes and Rs. 13 crores in Rs. 10,000 notes.

\* Net of Rs. 43 crores of Indian notes returned from circulation in Pakistan and awaiting cancellation.

† Denomination-wise data are available on a calendar year basis only.

**Circulation of Rupee Coin.**—Rupee coin in circulation recorded a rise of Rs. 4.1 crores to Rs. 121 crores\* during 1958-59, as against a total decline of Rs. 5.7 crores in the preceding two years. The rise during 1958-59 was the net result of (i) an aggregate increase of Rs. 13.7 crores during the months April to June 1958 and October 1958 to March 1959 and (ii) a fall of Rs. 9.6 crores during the three months July to September 1958. At the end of 1958-59, the circulation of rupee coin stood at Rs. 120.59 crores, representing a net fall of about 13 per cent as compared to the outstanding circulation of Rs. 138 crores at the end of 1950-51. On April 3, 1959, the Reserve Bank, as usual, received from the Government of India, one rupee notes of the value of Rs. 5 crores in terms of Section 36(2) of the Reserve Bank of India Act† against payment of legal tender value. At the end of March 1959, rupee coin holdings of the Reserve Bank, the bulk of which is held in the form of one rupee notes, amounted to Rs. 130 crores.

**Circulation of Small Coin.**—Circulation of *small coin*, which had risen by an aggregate amount of Rs. 2.6 crores during the three years 1955-56 to 1957-58, declined by Rs. 0.3 crore during 1958-59. During the year, the increase in the circulation of the new decimal coins first introduced on April 1, 1957, was slightly smaller at Rs. 2.24 crores as compared to Rs. 2.76 crores in 1957-58. Against this, there was a further net withdrawal of Rs. 2.57 crores of the old coins. Of the Rs. 2.24 crores of the new coins put into circulation during the year, 10 *naye paise* accounted for Rs. 99 lakhs, 5 *naye paise* Rs. 64 lakhs, 2 *naye paise* Rs. 30 lakhs and 1 *naya paisa* Rs. 31 lakhs; the corresponding figures for the previous year were Rs. 120 lakhs, Rs. 66 lakhs, Rs. 42 lakhs and Rs. 48 lakhs, respectively. Of the old coins, the circulation of eight anna coins and four anna coins rose by Rs. 5 lakhs and Rs. 12 lakhs, respectively; the circulation of all other denominations recorded further declines, the largest fall, as in the previous year, being in respect of the two-anna coins (Rs. 160 lakhs). Metal-wise, there were returns from circulation of quaternary silver coins (Rs. 22 lakhs) and nickel coins (Rs. 35 lakhs), while the circulation of copper‡ coins increased further by Rs. 24 lakhs; in 1957-58, the circulation of copper coins had increased by Rs. 42 lakhs. Since 1947-48, quaternary silver coins of the value of Rs. 22.7 crores have been withdrawn from circulation upto March 1959.

\* Since June 7, 1947, by which date all standard silver rupee coins had ceased to be legal tender, 'rupee coin' circulation in India has comprised (i) Government of India one rupee notes issued from July 1940, (ii) quaternary silver rupees issued between December 1940 and June 1946 and (iii) nickel rupees issued from June 1947. Since June 1946, quaternary silver rupee coins are in the process of being withdrawn. Out of these coins amounting to Rs. 94 crores outstanding on the date of discontinuance of their issue, coins of the value of Rs. 58 crores have been retired from circulation upto March 31, 1959.

† This section provides that, after the close of any financial year in which the maximum amount of rupee coin held in the assets, as shown in the weekly accounts of the Issue Department of the Reserve Bank, is less than fifty crores of rupees, or one-sixth of the total amount of the assets whichever may be greater, the Central Government shall deliver to the Reserve Bank rupee coin upto the amount of such deficiency, but not without its consent exceeding five crores of rupees against payment of legal tender value.

‡ Including bronze coins.



*With a view to increasing the pace of absorption of the new decimal coins and making further progress in the direction of reform of coinage, the authorities decided to withdraw from circulation, step by step, the old anna-pie coins. Accordingly, on July 18, 1958, the Government of India issued a notification in terms of which all nickel-brass two-anna coins, all half-pice coins and all pie coins ceased to be legal tender, effective January 1, 1959. However, these coins were to be accepted till June 30, 1959 at all offices of the Reserve Bank of India, all agency banks of the Reserve Bank of India conducting Government business and at all Government treasuries and sub-treasuries and will continue to be accepted, until further notice, at the offices of the Issue Department of the Reserve Bank of India at Bombay, Calcutta, Madras, Kanpur, New Delhi, Bangalore and Nagpur.*

**The Reserve Bank of India (Amendment) Act 1959 : Issue of Special Notes for Circulation in Certain Territories outside India.** \*—A significant development in the sphere of currency, although it came after the close of the year under review, was the decision taken by the Government of India in April 1959 to introduce a special series of India notes in replacement of the India notes circulating in certain territories outside India. The Reserve Bank of India (Amendment) Act 1959, providing for the issue of such special notes of the Reserve Bank and the Government of India one rupee notes for circulation in certain territories outside India, was passed by the *Lok Sabha* on April 29 and by the *Rajya Sabha* on April 30 and received the President's assent on May 1, 1959. The main features of the Act and the circumstances necessitating the legislation are briefly explained below.

The Indian Rupee has been serving as the traditional medium of exchange in the Gulf States of Kuwait, Bahrain, Qatar, the Trucial States and in parts of Muscat for a long time. Facilities have been provided to banks operating in the Gulf States to exchange Indian notes collected by them for sterling. However, this currency arrangement has, in the last few years, entailed a substantial drain on foreign exchange reserves arising from conversion into sterling of large amounts of India notes smuggled out, representing proceeds of unauthorised imports of gold and other commodities into India. The notes came into the possession of banks in the Gulf area in the ordinary course of business and they tendered them to the Reserve Bank for conversion into sterling, and there were no means of distinguishing smuggled notes from currency acquired through legitimate trade transactions. Under these circumstances, the Government of India decided to introduce *special* series of India notes in replacement of the India notes in circulation in the area.

The new series of *special* notes are identical with the existing series, except for their colour and for a slight modification of the legend on the obverse to indicate that they are payable 'at the office of Issue at Bombay' instead of 'at any office of issue' as in the case of the existing notes. The special issues are in denominations of Rs. 5, Rs. 10 and Rs. 100, besides one rupee notes of the Government of India.

\* For fuller details see News and Notes, Reserve Bank of India Bulletin, May 1959.

The *special* notes are not legal tender in India. They are, however, freely convertible into Indian rupees and also into sterling under the existing procedure under which Gulf banks were allowed to tender India notes to the Reserve Bank for redemption in sterling. Facilities were provided for the exchange of the existing notes into *special* notes at all the banks functioning in the Gulf States and Muscat, for a period of six weeks from May 11, 1959 to June 21, 1959. In future *special* notes will be issued only against receipt of equivalent sterling.

The Government of India also arranged for the issue, by the Reserve Bank, of *special* Haj notes, for supply to pilgrims proceeding on Haj to Saudi Arabia. Haj pilgrims have all along been permitted to take the quota of currency allowed to them in the form of currency notes legal tender in India for meeting expenses in Saudi Arabia. India notes, it may be mentioned, are not legal tender currency in Saudi Arabia, but they are exchanged in Saudi Arabia for local currency by banks and money changers who send them to India and obtain reimbursement in foreign exchange. The issue of *special* Haj notes would ensure against India notes being smuggled out of India and presented to the Reserve Bank later for reimbursement in sterling. The *special* Haj notes have been issued in denominations of Rs. 10 and Rs. 100. These notes will not be legal tender in India, but will be convertible in Bombay into Indian rupees and also into sterling under the exchange procedure, under which Saudi Arabian banks collect and present these notes for redemption at the Reserve Bank, Bombay. The Haj notes are distinguishable by their colour and the word 'Haj' printed on them. They are payable "at the office of Issue at Bombay."

**Discontinuance of the Arrangements for the Purchase and Sale of Pakistan Rupees in India.**—With effect from September 2, 1958, the arrangements, instituted in 1951, under which the Reserve Bank of India purchased and sold Pakistan rupees from/to authorised dealers for ready and forward delivery in Pakistan were discontinued. Simultaneously the State Bank of Pakistan also discontinued the purchase and sale of India rupees for delivery at the Reserve Bank of India offices.

**Old Notes.**—The value of notes written off under Section 34(2)(a) of the Reserve Bank of India Act\* amounted to Rs. 3,19,550 in 1958-59 as against Rs. 1,67,750 in 1957-58. Notes, which had been written off in the previous years under this Section, but which were subsequently presented for payment and paid by the Banking Department of the Bank, amounted to Rs. 6,460 as against Rs. 3,250 last year.

\* Section 34(2) as amended now provides that :—

- (a) any currency note of the Government of India or bank note which has not been presented for payment within forty years from the 1st day of April following the date of its issue, and
- (b) any bank note referred to in Section 26A shall be deemed not to be in circulation and the value thereof shall, notwithstanding anything contained in sub-section (2) of Section 23, be paid by the Issue Department to the Central Government or the Banking Department, as the case may be.

Provided that any note referred to in clause (a), if subsequently presented for payment, and any note referred to in clause (b), if directed to be paid by the Central Government, shall be paid by the Banking Department and any such payment in the case of currency note of the Government of India shall be debited to the Central Government.

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**Lost, Destroyed and Mutilated Notes.**—*Claims in respect of lost, destroyed and mutilated notes admitted at the Bank's offices during 1958-59 amounted to Rs. 48 lakhs and payment made against them to Rs. 44 lakhs, as compared to Rs. 44 lakhs and Rs. 38 lakhs, respectively, during 1957-58.*

**Note Forgeries.**—During 1958-59, the total number of forged notes (including Government of India one rupee notes) received by the Bank was 5,489 as compared to 5,470 in 1957-58.

**Coinage.**—During 1958-59, 1,052 million new decimal coins (valued at Rs. 3.3 crores) were minted as compared to 1,034 million coins during 1957-58 and 744 million coins during 1956-57. This brings the total mintage of these coins to 2,830 million (valued at Rs. 9.4 crores). There was no coinage of whole rupees or half and quarter rupee coins during the year under review.

No coinage was done for foreign countries by the Government Mints during the year.

**Withdrawal of Silver, Cupro-nickel and Copper Coins.**—During 1958-59, the aggregate value of uncurrent coins withdrawn from circulation amounted to Rs. 0.18 lakhs, and of current coins to Rs. 286.27 lakhs.

**Counterfeit Coins.**—The number of counterfeit coins cut at treasuries and Railway stations in 1958-59 was 11.4 lakhs as compared to 3.5 lakhs in 1957-58.

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## STATEMENTS

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in using this Report, the following general information may be noted.

(1) The Indian financial year is from April 1 to March 31. Thus, 1958-59 means the year from April 1, 1958 to March 31, 1959.

(2) The Currency Unit of the Indian Union is the Rupee. With effect from April 1, 1957, India adopted the decimal coinage, the Rupee being divided into 100 equal parts, called 'naya paisa'. The abbreviation for rupees is 'Rs.' and for 'naya paisa' it is 'nP'. A Rupee is equivalent to 21 U.S. cents or 1 sh. 6 d. sterling.

(3) Effective from November 1, 1956, the Indian Union consists of *fourteen* States (including Jammu and Kashmir). The Federal Government is the Government of India, also called the Central or Union Government.

(4) A crore = 10 million (Rs. 1 crore is equal to U.S. \$2.1 million or £750,000 sterling). A lakh = one-tenth of one million.

(5) A tola = three-eighths of an ounce.

(6) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(7) The following symbols have been used :

.. = Figure is not available.      -- = Figure is nil or negligible.

(8) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a foot note is added indicating the nature of the difference.



# STATEMENT I

## INDEX NUMBERS OF MONEY SUPPLY, INDUSTRIAL PRODUCTION AND WHOLESALE PRICES IN SELECTED COUNTRIES

Year and Month	AUSTRALIA		CANADA		FRANCE		GERMANY (WESTERN)		INDIA		JAPAN	
	M	P(a)	M	I	M	I	M(b)	I	M	I	M	I
1950	82	69	95	83	67	87	71	72	107	78	41	56
1955	105	102	115	110	128	120	149	128	101	101	120	122
1956	104	106	114	120	141	133	133	128	103	116	140	128
1957	109	107	118	120	154	145	150	146	105	127	146	151
1958	106	105	133	118	162	153	170	151	106	130	146	179
											164	181
												98
January 1957	105	106	110	110	138	141	126	135	105	133	101	141
February	106	107	113	103	137	145	127	141	105	133	101	151
March	108	107	108	114	140	146	127	139	105	135	131	158
April	107	107	109	115	141	150	134	149	105	138	140	161
May	104	105	110	117	141	156	135	151	105	143	101	166
June	103	107	112	120	144	153	135	148	105	160	105	166
July	102	108	111	114	134	107	138	139	105	154	105	174
August	101	109	112	115	148	99	141	138	105	131	106	165
September	102	108	115	118	148	150	143	150	105	131	104	166
October	105	105	119	116	149	152	144	153	105	133	103	165
November	107	104	115	115	149	161	146	161	105	142	104	164
December	109	104	118	105	154	165	150	151	105	143	101	167
											146	167
												103
January 1958	109	104	114	104	151	160	144	143	107	136	109	154
February	108	104	113	108	150	164	146	143	107	136	109	167
March	109	105	115	109	151	162	147	145	107	140	131	179
April	107	104	119	111	151	164	150	152	106	143	102	163
May	102	104	120	114	152	165	152	151	106	140	103	163
June	101	105	123	115	154	161	154	153	106	139	106	163
July	100	105	127	112	155	147	155	146	106	138	109	162
August	100	105	127	112	155	147	155	146	106	138	109	163
September	100	105	127	112	155	147	155	146	106	138	109	163
October	102	105	132	116	154	155	159	155	105	128	112	164
November	104	104	132	120	156	151	161	161	106	134	110	170
December	106	103	133	120	162	157	170	155	106	136	105	176
												175
											164	186
												97

For foot notes, see next page.

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## STATEMENT I—(Contd.)

Year and Month	NETHERLANDS			NEW ZEALAND			UNION OF SOUTH AFRICA			UNITED KINGDOM			UNITED STATES		
	M	I	P	M	P		M	P		M	I	P	M	I	P
1950	..	83	88	84	78		92	76		95	94		90	84	94
1955	..	116	118	102	100		98	104		103	112		105	104	100
1956	..	112	123	105	109		101	105		104	113		107	107	104
1957	..	109	126	107	109		103	107		103	113		106	107	107
1958	..	122	126	105	103		100	107		106	114		109	107	108
January 1957	..	109	127	108	103		94	107		101	113		104	109	105
February	..	109	119	107	103		95	107		97	117		103	109	106
March	..	108	127	107	106		93	105		97	119		101	108	106
April	..	110	125	107	114		93	105		97	111		103	107	106
May	..	113	136	107	112		95	106		98	121		101	107	106
June	..	113	125	107	112		95	106		101	117		102	107	107
July	..	114	128	108	106		93	107		102	106		103	107	107
August	..	110	122	107	105		96	107		101	98		101	108	107
September	..	109	124	107	106		99	109		101	118		102	107	107
October	..	107	133	107	106		97	109		100	119		103	105	107
November	..	107	123	107	106		96	108		99	122		104	104	107
December	..	109	116	107	105		103	107		103	112		106	101	108
January 1958	..	103	122	107	105		96	107		99	113		104	99	108
February	..	108	114	105	116		94	108		95	118		102	97	103
March	..	109	124	105	112		96	107		95	121		101	96	109
April	..	111	124	105	111		91	108		96	110		103	94	108
May	..	115	128	104	110		92	106		95	113		103	96	108
June	..	115	130	104	110		97	105		98	113		103	96	109
July	..	118	126	103	110		95	107		99	104		103	99	108
August	..	118	121	102	110		95	107		99	113		104	100	108
September	..	116	131	102	103		98	108		99	113		104	101	108
October	..	116	142	104	111		96	108		99	113		104	102	108
November	..	120	128	107	112		97	108		100	115		105	103	108
December	..	122	126	107	111		100	107		106	115		107	105	108
													109	106	108

M = Money Supply ; figures as at the end of period ; end of 1953 = 100.

I = Industrial Production, base 1953 = 100.

P = Wholesale Prices, base 1953 = 100.

(a) Home and Import Goods.

(b) Prior to 1953, the note circulation in West Berlin is excluded.

(c) Relates to wholesale prices of industrial input and (d) to those of industrial output.

Sources : United Nations Monthly Bulletin of Statistics and International Financial Statistics issued by the I.M.F.

REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 2

### BALANCE OF INTERNATIONAL TRANSACTIONS OF THE UNITED STATES DURING 1958

(Millions of U. S. Dollars)

Item	Sterling Area				All Areas			
	Jan.-June 1958	July-Dec. 1958	1958	1957	Jan.-June 1958	July-Dec. 1958	1958	1957
Exports of goods ..	1,148	1,172	2,320	2,786	8,239	7,968	16,207	19,327
Exports of services ..	656	856	1,512	1,321	3,192	3,676	6,863	7,149
<b>Total</b> ..	<b>1,804</b>	<b>2,028</b>	<b>3,832</b>	<b>4,107</b>	<b>11,431</b>	<b>11,644</b>	<b>23,075</b>	<b>26,476</b>
Imports of goods ..	1,050	1,070	2,120	2,162	6,313	6,631	12,944	13,291
Imports of services ..	808	728	1,536	1,619	3,748	3,999	7,747	7,416
<b>Total</b> ..	<b>1,858</b>	<b>1,798</b>	<b>3,656</b>	<b>3,781</b>	<b>10,061</b>	<b>10,630</b>	<b>20,691</b>	<b>20,707</b>
Balance on goods and services ..	- 54	+ 230	+ 176	+ 326	+ 1,370	+ 1,014	+ 2,384	+ 5,769
Military transfers ..	(a)	(a)	(a)	(a)	+ 1,437	+ 1,073	+ 2,510	+ 2,440
Balance on goods and services including military transfers ..	54	+ 230	+ 176	+ 326	+ 2,807	+ 2,087	+ 4,894	+ 8,209
Unilateral transfers (Net):								
Private ..	- 47	- 53	- 100	- 99	- 246	- 271	- 517	- 535
Government :								
Economic aid ..	- 120	- 131	- 251	- 173	- 805	- 836	- 1,611	- 1,613
Military aid ..	(a)	(a)	(a)	(a)	- 1,437	- 1,073	- 2,510	- 2,440
Other ..	- 9	- 6	- 15	- 14	- 92	- 37	- 179	- 159
United States capital (Net) :								
Private ..	- 141	- 173	- 314	- 245	- 1,714	- 1,210	- 2,924	- 3,211
Government ..	- 117	- 46	- 163	- 421	- 461	- 502	- 963	- 963
Foreign capital (Net):								
Long-term ..	+ 26	- 40	- 14	+ 125	+ 22	+ 35	+ 57	+ 309
Short-term ..	- 261	186	- 447	+ 256	+ 238	+ 839	+ 1,097	+ 325
Gold [purchases(-) or sales(+)]	+ 750	+ 150	+ 900	-	+ 1,445	+ 830	+ 2,275	- 793
Errors and omissions and transfers of funds between foreign areas [receipts by foreign areas(-)] (Net) ..	- 27	+ 255	+ 228	+ 250	+ 243	+ 138	+ 381	+ 876

(a) Military aid to sterling area countries is not shown separately.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 3

### CHANGES IN CENTRAL BANK DISCOUNT RATES

(Rate per cent)

Country	Date of Change	Discount Rate		Difference
		Before change	After change	
1	2	3	4	5
<b>1958</b>				
Belgium	March 27, 1958	.. .. 4.50	4.25	—0.25
	June 4, 1958	.. .. 4.25	4.00	—0.25
	July 3, 1958	.. .. 4.00	3.75	—0.25
	August 28, 1958	.. .. 3.75	3.50	—0.25
Brazil	April 9, 1958	.. .. 6.00	8.00	+2.00
Denmark	April 19, 1958	.. .. 5.50	5.00	—0.50
	August 15, 1958	.. .. 5.00	4.50	—0.50
France	October 16, 1958	.. .. 5.00	4.50	—0.50
Germany (Western)	January 17, 1958	.. .. 4.00	3.50	—0.50
	June 27, 1958	.. .. 3.50	3.00	—0.50
Ireland	March 28, 1958	.. .. 6.00	5.50	—0.50
	May 31, 1958	.. .. 5.50	5.00	—0.50
	September 2, 1958	.. .. 5.00	4.50	—0.50
	November 28, 1958	.. .. 4.50	4.25	—0.25
Italy	June 7, 1958	.. .. 4.00	3.50	—0.50
Japan	June 18, 1958	.. .. 8.40	7.67	—0.73
	September 5, 1958	.. .. 7.67	7.30	—0.37
Netherlands	January 24, 1958	.. .. 5.00	4.50	—0.50
	March 25, 1958	.. .. 4.50	4.00	—0.50
	June 14, 1958	.. .. 4.00	3.50	—0.50
	November 15, 1958	.. .. 3.50	3.00	—0.50

REPORT ON CURRENCY AND FINANCE, 1958-59

**STATEMENT 3—(Contd.)**

Country	Date of Change	(Rate per cent)				
		Discount Rate		Difference		
		Before change	After change			
1	2	3	4	5		
<b>1958 (contd.)</b>						
Sweden	May 3, 1958	.. .. 5.00	4.50	—0.50		
United Kingdom	March 20, 1958	.. .. 7.00	6.00	—1.00		
	May 22, 1958	.. .. 6.00	5.50	—0.50		
	June 19, 1958	.. .. 5.50	5.00	—0.50		
	August 14, 1958	.. .. 5.00	4.50	—0.50		
	November 20, 1958	.. .. 4.50	4.00	—0.50		
United States of America (a)	January 4, 1958	.. .. 3.00	2.75	—0.25		
	March 7, 1958	.. .. 2.75	2.25	—0.50		
	April 18, 1958	.. .. 2.25	1.75	—0.50		
	September 12, 1958	.. .. 1.75	2.00	+0.25		
	November 7, 1958	.. .. 2.00	2.50	+0.50		
<b>1959</b>						
Belgium	January 8, 1959	.. .. 3.50	3.25	—0.25		
Finland	March 1, 1959	.. .. 6.50	6.00	—0.50		
France	February 5, 1959	.. .. 4.50	4.25	—0.25		
Germany	January 10, 1959	.. .. 3.00	2.75	—0.25		
Japan	February 19, 1959	.. .. 7.30	6.94	—0.36		
Netherlands	January 21, 1959	.. .. 3.00	2.75	—0.25		
Pakistan	January 14, 1959	.. .. 3.00	4.00	+1.00		
Switzerland	February 26, 1959	.. .. 2.50	2.00	—0.50		
Union of South Africa	January 5, 1959	.. .. 4.50	4.00	—0.50		
United States of America (a)	March 6, 1959	.. .. 2.50	3.00	+0.50		

(a) Discount Rate of the Federal Reserve Bank of New York.

**STATE**

**MONEY MARKET RATES**

(Per cent)

Countries		Description	Average of Months					
			1950	1955	1956	1957	1958	
Treasury Bill Rates								
1	Australia	.. Tap 3 months	.. 0.75	1.00	1.00	1.00	1.00	
2	Belgium	.. Tap 4 months	.. 1.31	1.31	1.31	1.76	3.40	
3	Canada(a)	.. Tender 3 months	.. 0.55	1.62	2.92	3.76	2.25	
4	India(b)	.. Tender 3 months	..	2.52	2.52		2.46	
5	Italy	.. Tap 3-4 months	.. 3.25	2.75	2.75	2.75	2.46	
6	Netherlands	.. Tender 3 months	.. 1.40	0.96	2.39	4.06	3.01	
7	Union of South Africa(c)	.. Tap 3 months	.. 1.00	2.56	3.23	3.25	3.60	
8	United Kingdom	.. Tender 3 months	.. 0.51	3.70	4.93	4.80	4.56	
9	United States of America..	Tender 3 months	.. 1.22	1.75	2.66	3.26	1.84	
Other Rates								
10	France(d)	.. Call Money rate	.. 2.43	3.16	3.19	5.36	6.49	
11	India(c)	.. " " "	.. 0.58	2.67	3.18	2.25— 4.75	2.32— 3.88	
12	Japan(f)	.. " " "	.. 6.41	7.36	6.57	10.94	9.69	
13	Netherlands	.. " " "	.. 1.07	0.62	1.34	3.29	2.48	
14	Switzerland	.. Private discount rate..	1.50	1.50	1.50	2.18	2.50	
15	Union of South Africa	.. Commercial overdraft rate	.. 5.00	5.63	6.00	6.00	6.29	
16	United Kingdom	.. 3-month bankers' acceptances	.. 0.69	3.75	5.05	4.98	4.75	
17	" "	.. Call money rate	.. 0.62	2.99	4.01	4.17	4.05	
18	United States of America	.. Prime 90-day bankers' acceptance.	1.15	1.72	2.65	3.45	2.04	

(a) Beginning 1955, new series.

(b) Sales of Treasury bills to the public remained suspended during the following periods :—

(i) December 20, 1949 to September 9, 1952 and (ii) April 6, 1956 to July 28, 1958.

(c) 6-month bills prior to June 1953. Beginning June 1958, tender rates.

(d) Beginning January 1957, rate shown is on private securities. Previous figures are averages of rates on government and private securities.

(e) Inter-bank call money rate in Bombay; Prior to 1957 data are averages of Friday quotations; subsequent data provide ranges during the period.

(f) In Tokyo.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 4

### IN SELECTED COUNTRIES

*per annum)*

1958												
Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1
4.25	4.25	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.75	2.75	2.50	2
3.25	2.86	2.27	1.58	1.54	1.72	0.87	1.49	2.27	2.83	2.88	3.49	3
							2.57	2.52	2.51	2.44	2.43	4
2.75	2.75	2.75	2.75	2.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25	5
4.43	3.88	3.14	3.18	2.97	2.90	2.84	2.62	2.62	2.83	2.40	2.26	6
3.25	3.50	3.50	3.50	3.50	3.69	3.71	3.74	3.73	3.70	3.69	3.68	7
6.27	6.02	5.78	5.28	5.02	4.45	4.15	3.81	3.65	3.65	3.46	3.16	8
2.60	1.56	1.35	1.13	1.05	0.88	0.96	1.69	2.48	2.79	2.76	2.81	9
5.17	5.25	5.96	6.78	10.04	7.51	6.85	6.97	6.46	5.50	5.26	6.07	10
2.75— 4.12	3.00— 4.12	3.00— 4.12	3.00— 4.31	3.00— 4.44	3.00— 4.12	2.25— 4.12	2.19— 3.87	2.00— 3.50	1.37— 3.50	1.18— 3.18	1.12— 3.18	11
10.95	10.95	10.95	10.22	10.22	10.22	9.49	9.49	9.13	8.40	7.85	8.40	12
3.50	3.26	2.77	2.93	2.39	2.34	2.49	2.08	2.16	2.50	1.79	1.50	13
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	14
6.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	15
6.51	6.17	5.98	5.47	5.24	4.65	4.31	3.98	3.82	3.80	3.67	3.34	16
5.56	5.57	5.23	4.71	4.53	3.95	3.62	3.36	3.17	3.19	2.97	2.70	17
3.06	2.30	1.80	1.52	1.30	1.13	1.13	1.65	2.39	2.75	2.75	2.75	18

*Sources* :—Monthly Bulletin of Statistics published by the United Nations, Economic Statistics Monthly (Bank of Japan), Federal Reserve Bulletin, Quarterly Bulletin of Statistics of South African Reserve Bank and Survey of Current Business (U.S.A.).

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 5

### GOLD AND DOLLAR ACCOUNTS OF THE STERLING AREA

(£ Million)

	1958		1958	1957
	January- June	July- December (Provisional)	(Provisional)	
<b>I. Transactions with Dollar Area</b>				
<b>A. United Kingdom :</b>				
(i) Balance of current transactions including defence aid (Net) .. .. .	+ 54	+ 2	+ 56	— 95
(ii) Other transactions (investment, etc.) ..	+ 41	+ 17	+ 58	+ 132
<b>Total U.K. Surplus (+) or Deficit (—) (Net) .. .. .</b>	<b>+ 95</b>	<b>+ 19</b>	<b>+ 114</b>	<b>+ 37</b>
<b>B. Rest of Sterling Area :</b>				
(i) Credit (+) or Debit(—) .. .. .	+ 77	+ 62	+ 139	+ 63
(ii) Gold sales in U.K. (Net) .. .. .	+ 131	+ 96	+ 227	+ 223
<b>Total Rest of Sterling Area Surplus (+) or Deficit (—) (Net) .. .. .</b>	<b>+ 208</b>	<b>+ 158</b>	<b>+ 366</b>	<b>+ 286</b>
<b>II. Transactions with Non-Dollar Areas</b>				
(i) Other Western Hemisphere .. .. .	+ 14	+ 5	+ 19	+ 11
(ii) OEEC countries .. .. .	— 19	— 161	— 180	— 283
(iii) Other non-sterling countries .. .. .	— 6	— 26	— 32	— 32
(iv) Non-territorial organisations .. .. .	— 5	+ 2	— 3	— 6
<b>Total Transactions with Non-Dollar Areas (Net) .. .. .</b>	<b>— 16</b>	<b>— 180</b>	<b>— 196</b>	<b>— 310</b>
<b>Total Net Gold and Dollar Surplus (+) or Deficit (—) (Corresponding to change in gold and dollar reserves) (a) .. .. .</b>	<b>+ 287</b>	<b>— 3</b>	<b>+ 284</b>	<b>+ 13</b>

(a) As at the end of December 1958, the Reserves included an insignificant amount of convertible currencies other than U. S. and Canadian dollars.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 6 WORLD GOLD PRODUCTION

(Thousands of fine ounces)

COUNTRIES	1950	1955	1956	1957	1958	Percentage increase (+) or decrease (-) of 1958 over 1957
<b>I. British Commonwealth ..</b>	<b>18,760</b>	<b>21,920</b>	<b>22,976</b>	<b>24,323(a)</b>	<b>25,110(a)</b>	<b>+ 3.2</b>
(i) Union of South Africa ..	11,664	14,601	15,897	17,031	17,666(a)	+ 3.7
(ii) Canada .. ..	4,441	4,542	4,384	4,434	4,530(a)	+ 2.2
(iii) Australia .. ..	861	1,049	1,030	1,084	1,093(a)	+ 0.8
(iv) Ghana .. ..	689	687	638	790	853	+ 8.0
(v) Southern Rhodesia ..	511	525	536	537	550(a)	+ 2.4
(vi) India .. ..	197	211	209	179	170(a)	- 5.0
(vii) New Zealand .. ..	77	27	26	30	30(a)	—
(viii) Others .. ..	320	278	256	238(a)	218(a)	- 8.4
<b>II. Latin American Countries</b>						
(i) Colombia .. ..	379	381	438	325	375(a)	+ 15.4
(ii) Mexico .. ..	408	379	347	343	340(a)	- 0.9
(iii) Brazil .. ..	163	145	162	151	140(a)	- 7.3
(iv) Peru .. ..	148	171	167	162	160(a)	- 1.2
(v) Chile .. ..	190	123	95	104	100(a)	- 3.8
<b>III. United States of America ..</b>	<b>2,289</b>	<b>1,877</b>	<b>1,865</b>	<b>1,800</b>	<b>1,780(a)</b>	<b>- 1.1</b>
<b>IV. All countries (b) .. ..</b>	<b>24,560</b>	<b>27,200</b>	<b>28,200</b>	<b>29,400(a)</b>	<b>30,200(a)</b>	<b>+ 2.7</b>
British Commonwealth :						
Percentage :	76.4	80.6	81.5	82.7	83.1	
Union of South Africa :						
Percentage :	47.5	53.7	56.4	57.9	58.5	

(a) Estimated or provisional figure.

(b) Excludes gold production of the U.S.S.R.

Source : Union Corporation Limited, South Africa.

## STATEMENT 7 WORLD SILVER PRODUCTION (a)

(Millions of ounces)

COUNTRIES	1954	1955	1956	1957	1958	Percentage increase (+) or decrease (-) of 1958 over 1957
Mexico .. ..	39.9	48.0	43.1	47.2	47.0	- 0.4
United States of America ..	35.6	36.5	38.7	38.7	34.0	- 12.1
Canada .. ..	31.1	28.0	28.4	28.4	31.0	+ 9.2
Peru .. ..	20.4	22.9	23.0	25.3	30.8	+ 21.7
Bolivia .. ..	5.0	5.9	7.5	5.4	5.4	—
Other South and Central American Countries .. ..	7.8	6.4	7.0	6.6	6.5	- 1.5
<b>Total Western Hemisphere ..</b>	<b>139.8</b>	<b>147.7</b>	<b>147.7</b>	<b>151.6</b>	<b>154.7</b>	<b>+ 2.0</b>
<b>Outside Western Hemisphere ..</b>	<b>49.4</b>	<b>50.7</b>	<b>51.6</b>	<b>47.4</b>	<b>50.0</b>	<b>+ 5.5</b>
India .. ..	0.161	0.132	0.105	0.126	0.110(b)	- 12.7
<b>World production .. ..</b>	<b>189.2</b>	<b>198.4</b>	<b>199.3</b>	<b>199.0</b>	<b>204.7</b>	<b>+ 2.9</b>

(a) Excluding Communist dominated areas.

(b) Provisional.

Source : Handy and Harman.

# STATEMENT 8

## PRICES(a) OF BAR GOLD IN SELECTED COUNTRIES

End of	Belgium	France	Hong Kong	India	Italy	Lebanon	Switzerland	United Kingdom(b)
								(\$ per fine ounce)
1950	.. ..	44.17	47.25	46.77	63.21	47.53	68.48	..
1955	.. ..	35.49	39.55	39.07	52.45	36.03	52.17	34.98
1956	.. ..	35.52	41.23	40.82	58.59	35.93	51.53	34.92
1957	.. ..	35.43	40.95	39.46	60.45	35.23	50.64	35.02
1958	.. ..	35.32	35.57	..	64.28	35.48	..	35.10
January 1958	.. ..	35.58	46.93	39.63	62.75	35.33	50.75	35.10
February	.. ..	35.29	38.88	39.23	62.89	35.28	50.82	35.12
March	.. ..	35.28	38.21	39.05	62.33	35.18	50.92	35.11
April	.. ..	35.27	38.73	38.90	63.84	35.28	50.85	35.13
May	.. ..	35.24	38.95	38.98	60.31	35.28	50.88	35.13
June	.. ..	35.21	38.06	38.74	60.08	35.28	51.18	35.09
July	.. ..	35.48	38.15	39.11	59.05	35.28	52.52	35.12
August	.. ..	35.27	38.50	38.94	60.25	35.28	51.89	35.12
September	.. ..	35.97	38.05	39.03	59.71	35.28	51.18	35.13
October	.. ..	35.22	38.03	38.78	61.99	35.33	51.32	35.11
November	.. ..	35.21	38.61	38.74	63.28	35.33	51.25	35.11
December	.. ..	35.32	35.57	..	64.28	35.48	..	35.10

Note.—The United States Treasury's price of gold has remained unchanged at \$35 per fine ounce from February 1934. The duty on gold imports into India is Rs. 15 (83.15) per tola.

(a) National Currency quotations have been converted to U.S. \$ equivalent at official rates.

(b) The London Gold market was reopened on March 22, 1954. The price of gold in London varied between £12-8-8½ and £ 12-10-11 during 1954.

Source : International Financial Statistics issued by the I.M.F.

## STATEMENT 9

PRICES<sup>(a)</sup> (SPOT) OF SILVER IN LONDON AND NEW YORK

(Per fine ounce)

				London				New York			
				Highest	Lowest	Average <sup>(b)</sup>		Highest	Lowest	Average <sup>(b)</sup>	
				d. (1)	d. (2)	d. (3)	Rs. (4)	cents (5)	cents (6)	cents (7)	Rs. (8)
1950	..	..	..	70.00	63.00	64.80	3.60	80.00	71.75	74.17	3.53
1955	..	..	..	80.25	73.75	77.51	4.31	92.00	85.25	89.10	4.24
1956	..	..	..	81.38	76.63	79.13	4.40	91.63	90.00	90.83	4.33
1957	..	..	..	80.50	77.13	78.93	4.39	91.38	89.63	90.82	4.32
1958	..	..	..	78.75	74.75	76.21	4.23	90.38	88.63	89.04	4.24
January	1958	..	..	77.12	76.12	76.85	4.27	89.87	88.62	89.45	4.26
February	"	..	..	76.62	76.12	76.38	4.24	88.62	88.62	88.62	4.22
March	"	..	..	76.87	76.00	76.43	4.25	88.62	88.62	88.62	4.22
April	"	..	..	76.12	75.87	76.04	4.22	88.62	88.62	88.62	4.22
May	"	..	..	76.12	75.87	76.10	4.23	88.62	88.62	88.62	4.22
June	"	..	..	75.87	74.75	75.27	4.18	88.62	88.62	88.62	4.22
July	"	..	..	75.00	75.00	75.00	4.17	88.62	88.62	88.62	4.22
August	"	..	..	75.00	75.00	75.00	4.17	88.62	88.62	88.62	4.22
September	"	..	..	76.50	75.00	75.88	4.22	89.12	88.62	88.67	4.22
October	"	..	..	78.75	76.50	77.99	4.33	90.37	88.87	89.92	4.28
November	"	..	..	78.00	76.75	77.42	4.30	90.12	90.12	90.12	4.29
December	"	..	..	76.75	75.87	76.17	4.23	90.12	89.62	89.94	4.28

Note.—The rupee equivalent of average prices shown in columns 4 and 8 have been computed on the basis of the official exchange rates of 1*sh* 6*d.* and 21 U. S. cents per rupee.

(a) Closing prices.

(b) Average of working days.

Source : Handy and Harman for annual data ; monthly figures are based on the quotations supplied by the Press Trust of India Ltd.



# STATEMENT 10

## SELECTED ECONOMIC INDICATORS (QUARTERLY)-INDIA

Items	Unit/Base	1956-57				1957-58				1958-59			
		I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>I. Production and Prices</b>													
(Average of months)													
1. Industrial Production Index	1951=100	161.9	144.1	134.6	142.3	136.4	132.5	137.9	144.5	134.4	137.2	141.6	..
2. Number of man-days lost through Industrial Disputes	000's	1,606	1,949	1,758	963	1,619	2,445	1,402	1,662	2,798	1,626	637	857
3. Wholesale Price Index	1952-53=100	101.0	105.6	107.8	106.6	108.7	111.1	108.4	105.4	109.1	115.7	113.8	112.6
4. Consumer Price Index (All-India)	1949=100	104	108	109	107	110	113	113	110	113	120	121	117
5. Index of Security Prices (All-India)	..												
(i) Government and Semi Government Securities	..	91.1	90.9	90.1	89.8	89.8	89.1	89.1	89.2	98.9	99.7	100.5	100.7
(ii) Preference Shares	..	85.3	84.8	81.8	80.0	78.2	75.4	73.2	71.2	85.4	87.0	88.1	88.4
(iii) Variable Dividend Industrial Securities	..	124.0	126.5	121.7	112.8	104.7	102.6	97.8	96.3	128.6	140.0	140.9	140.2
6. Bullion Prices (Bombay : Spot)—	..												
(i) Gold	Rs. per tola	104.07	102.69	104.64	106.69	106.73	107.41	108.07	111.67	111.21	107.03	111.95	118.04
(ii) Silver	Rs. per 100 tolas	176.06	172.44	173.34	180.91	182.94	181.95	183.32	190.68	190.95	183.72	189.54	195.92
<b>II. Money and Banking</b>													
(Quarter-end)													
7. Currency with the public	Crores of Rs.	1,504.5	1,436.0	1,485.3	1,556.5	1,562.9	1,491.0	1,526.2	1,606.6	1,599.2	1,535.0	1,606.5	1,723.8
8. Deposit money with the public	"	684.7	673.5	693.3	756.4	781.2	742.8	748.8	782.2	780.3	779.5	743.4	774.1
9. Money supply with the public (7+8)	"	2,189.1	2,109.4	2,178.7	2,312.9	2,344.0	2,233.8	2,274.9	2,388.8	2,379.5	2,314.5	2,349.9	2,497.9
10. Foreign assets of the Reserve Bank	"	681.5	615.1	529.9	526.8	453.3	352.5	297.6	267.0	217.7	183.9	188.9	213.1
11. Central Government's Deposits with the Reserve Bank	"	56.8	71.4	57.2	64.6	51.8	52.2	53.5	48.3	58.7	48.5	55.9	53.8
12. Other Governments' Deposits with the Reserve Bank	"	13.2	19.1	8.0	32.0	8.3	7.5	13.0	54.9	14.2	26.1	17.2	26.7

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13. 'Other loans and advances' by the Reserve Bank ..	69.7	86.8	106.0	127.9	91.5	73.4	60.0	78.4	60.5	51.7	65.4	113.4
14. Scheduled Banks : (i) Demand liabilities ..	636.7	627.0	643.6	703.6	713.6	689.6	701.8	730.7	731.2	730.9	694.0	722.4
(ii) Time liabilities ..	447.1	455.3	457.2	471.7	548.7	620.4	665.7	720.6	771.2	811.8	879.6	912.6
(iii) Cash and balances with the Reserve Bank ..	94.0	84.2	90.5	88.3	122.5	130.3	107.5	105.0	139.0	138.7	119.3	107.8
(iv) Advances & bills purchased and discounted ..	756.9	754.5	788.4	900.0	917.8	846.6	857.1	962.7	902.8	841.2	865.6	1,013.6
15. Cheque Clearances (Total) ..	2,110.7	2,016.8	2,189.2	2,407.3	2,243.8	2,058.4	2,183.3	2,469.1	2,245.7	2,394.0	2,458.0	2,668.5
16. Call rate among larger banks in Bombay ..	3-3½	3½-3¾	3¾-3¾	3¾-4b	3¾-4½b	2¼-4½b	2¼-4b	3¾-4b	3-4½b	2-3½b	1-3b	3½b
III. Public Finance												
17. Tax Revenue (c) (d) ..	103.5	229.4	331.0	566.6	127.3	271.6	410.2	572.1	131.6	277.5	408.9	..
18. Total Revenue Receipts (net) (d) ..	108.8	263.5	382.1	546.9	134.4	288.2	488.4	679.2	140.3	336.2	513.0	..
19. Total Revenue Expenditure (net) (d) ..	82.1	175.5	272.2	457.5	98.0	210.0	329.3	592.8	107.7	250.3	402.0	..
20. Rupee debt of Government of India (Quarter-end)												
(i) Rupee loans ..	1,508.7	1,587.0	1,633.6e	1,633.6e	1,633.6e	1,643.9e	1,699.5e	1,676.9e	1,831.7e	2,180.8e	2,181.0e	2,181.0e
(ii) Treasury bills outstanding ..	643.4	578.7	667.2	835.7	941.7	943.7	1,048.9	1,295.1	1,301.1	1,042.4	1,139.7	1,225.3
IV. Trade												
21. Value of Imports ..	196.8	204.4	212.1	228.0	261.0	247.9	217.8	207.7	191.5	184.2	216.3	195.2
22. Value of Exports ..	133.7	145.4	175.8	163.7	149.0	177.6	167.3	143.4	114.7	164.2	163.6	137.8
23. Net Balance of Trade ..	63.1	59.0	36.3	64.3	112.0	70.3	50.5	64.3	76.8	20.0	52.7	57.4
24. Volume of Imports (f) 1952-53 = 100 ..	129	137	138	145	155	149	133	131	121	107	136	..
25. Volume of Exports (f) ..	101	105	114	121	112	128	118	111	87	120	118	..
26. Net terms of Trade (g) ..	100	106	110	100	90	99	100	96	97	94	103	..
27. Total Number of Wagons loaded ..	3,264	3,156	3,430	3,735	3,562	3,331	3,613	3,829	3,541	3,387	3,532	3,901

(a) Base : 1952-53 = 100 from the first quarter of 1958-59.

(b) Range for the closing week of the quarter.

(c) Relates to customs, Union excise duties, corporation tax and income-tax.

(d) April to quarter-end ; figures relate to the Union Government.

(e) Includes the Hyderabad loans taken over by the Government of India under the States Reorganisation Act, 1956.

(f) Monthly averages.

(g) Ratio of Export Price Index to Import Price Index.

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**STATEMENT II**

**NATIONAL INCOME BY INDUSTRIAL ORIGIN**

**(AT CURRENT PRICES)**

**(In Rs. Abja)(a)**

	1950-51	1955-56	1956-57	1957-58(b)
(1)	(3)	(4)	(5)	
<i>Agriculture</i>				
1. Agriculture, animal husbandry and ancillary activities ... ..	47.8	43.9	53.8	51.7
2. Forestry ... ..	0.7	0.7	0.8	0.8
3. Fishery ... ..	0.4	0.6	0.6	0.8
4. Total of agriculture ... ..	48.9	45.2	55.2	53.3
<i>Mining, manufacturing and small enterprises</i>				
5. Mining ... ..	0.7	1.0	1.2	1.4
6. Factory establishments ... ..	5.5	7.8	9.0	9.5
7. Small enterprises ... ..	9.1	9.7	9.8	10.0
8. Total of mining, manufacturing and small enterprises ... ..	15.3	18.5	20.0	20.9
<i>Commerce, transport and communication</i>				
9. Communication (post, telegraph & telephones)	0.4	0.5	0.5	0.5
10. Railways ... ..	1.8	2.5	2.8	3.2
11. Organised banking and insurance ... ..	0.7	0.9	1.1	1.1
12. Other commerce and transport ... ..	14.0	14.9	15.2	15.4
13. Total of commerce, transport and communication ... ..	16.9	18.8	19.6	20.2
<i>Other services</i>				
14. Professions and liberal arts ... ..	4.7	5.6	5.8	6.1
15. Government services (administration) ... ..	4.3	5.7	6.1	6.6
16. Domestic service ... ..	1.3	1.4	1.5	1.6
17. House Property ... ..	4.1	4.6	4.8	4.9
18. Total of other services ... ..	14.4	17.3	18.2	19.2
<hr/>				
19. Net domestic product at factor cost ... ..	95.5	99.8	113.0	113.6
20. Net earned income from abroad ... ..	-0.2	0.0	0.1	0.0
21. Net National output at factor cost=National income ... ..	95.3	99.8	113.1	113.6

(a) Abja=100 crores.

(b) Preliminary.

Source : Estimates of National Income published by the Central Statistical Organisation, Government of India

## STATEMENT 12

### NATIONAL INCOME BY INDUSTRIAL ORIGIN

(AT 1948-49 PRICES)

	(1)	1950-51		1955-56		1956-57		1957-58(b)	
		(2)	(3)	(3)	(4)	(4)	(5)	(5)	(In Rs. Abja)(a)
1. Agriculture, animal husbandry and ancillary activities (c)	...	43.4	50.2	52.5	49.3	18.8	21.0	19.2	108.3
2. Mining, manufacturing and small enterprises	...	14.8	17.6	18.4	18.8	21.0	19.2	108.3	0.0
3. Commerce, transport and communications...	...	16.6	19.7	20.8	21.0	19.2	108.3	0.0	110.0
4. Other services (d)	...	13.9	17.3	18.2	19.2	108.3	0.0	110.0	108.3
5. Net domestic product at factor cost	...	88.7	104.8	109.9	108.3	0.0	110.0	108.3	0.0
6. Net earned income from abroad	...	— 0.2	0.0	0.1	0.0	110.0	108.3	0.0	110.0
7. Net national output at factor cost = national income	...	88.5	104.8	110.0	108.3	0.0	110.0	108.3	110.0

(a) Abja = 100 crores. (b) Preliminary. (c) Including forestry and fishery. (d) Comprising professions and liberal arts, government service (administration), domestic service and house property.

Source: Estimates of National Income published by the Central Statistical Organisation, Government of India.

## STATEMENT 13

## INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural Year ended June 1950=100)

Commodities/Groups					Weight	1950-51	1955-56	1956-57	1957-58
Rice	..	..	..	..	35.3	87.9	114.2	119.1	104.5
Wheat	..	..	..	..	8.5	101.1	131.3	141.6	116.4
Jowar	..	..	..	..	5.0	89.8	96.7	105.9	117.7
Bajra	..	..	..	..	2.7	83.8	108.3	92.0	113.6
Maize	..	..	..	..	2.1	84.4	112.3	132.0	134.4
Total Cereals	..	..	..	..	58.3	90.3	114.9	119.9	108.3
Gram	..	..	..	..	3.7	98.0	138.9	163.2	123.9
Total Pulses	..	..	..	..	8.6	91.7	118.4	124.5	100.9
Total Foodgrains	..	..	..	..	66.9	90.5	115.3	120.5	107.3
Groundnut	..	..	..	..	5.7	101.4	112.4	124.2	126.3
Total Oilseeds	..	..	..	..	9.9	98.5	108.6	118.9	112.3
Cotton	..	..	..	..	2.8	110.7	153.9	182.2	182.9
Jute	..	..	..	..	1.4	106.3	135.8	138.7	132.3
Mesta	..	..	..	..	0.3	100.0	174.7	223.9	183.5
Total Fibres	..	..	..	..	4.5	108.6	149.7	171.4	167.2
Tea	..	..	..	..	3.3	103.8	108.8	114.1	115.0(a)
Coffee	..	..	..	..	0.2	112.3	176.3	216.3(a)	221.1(a)
Rubber	..	..	..	..	0.1	93.8	146.1	143.9	145.9(a)
Total Plantation Crops	..	..	..	..	3.6	104.0	113.6	120.6	121.8
Sugarcane	..	..	..	..	8.7	113.7	119.8	135.3	127.6
Tobacco	..	..	..	..	1.9	97.3	112.9	115.9	108.7(a)
Total Miscellaneous	..	..	..	..	15.1	110.3	120.1	128.0	123.1
Total Non-foodgrains	..	..	..	..	33.1	105.9	120.0	130.4	125.7
All Commodities	..	..	..	..	100.0	95.6	116.9	123.8	113.4

*Note.*—The indices for 1956-57 are generally based on partially revised estimates and those for 1957-58 on final estimates. The indices for these two years are, therefore, subject to revision.

(a) Based on provisional estimates.

*Source :* Agricultural Situation in India, August 1958.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 14

### PRODUCTION OF AGRICULTURAL COMMODITIES

(000s omitted)

Commodities	Unit	1950-51(a)	1955-56	1956-57	1957-58
<b>FOODGRAINS</b>					
<b>Cereals</b>					
1. Rice	( tons )	23,170	27,122	28,282	24,821 (24,885)
2. Wheat ..	( " )	6,290	8,622	9,314	7,654 (7,741)
3. Jowar ..	( " )	5,777	6,619	7,249	8,056 (8,246)
4. Bajra ..	( " )	2,790	3,374	2,885	3,565 (3,522)
5. Maize ..	( " )	2,014	2,561	3,009	3,064 (3,036)
6. Ragi	( " )	1,520	1,817	1,715	1,716 (1,665)
7. Barley	( " )	2,215	2,771	2,827	2,175 (2,238)
8. Small Millets	( " )	2,242	2,037	1,964	1,759
<b>Total Cereals</b>	( " )	<b>46,018</b>	<b>54,923</b>	<b>57,245</b>	<b>52,810</b>
<b>Pulses</b>					
9. Gram	( " )	3,667	5,332	6,264	4,754 (4,979)
10. Other Pulses	( " )	4,363	5,539	5,239	4,462
<b>Total Pulses</b>	( " )	<b>8,030</b>	<b>10,871</b>	<b>11,503</b>	<b>9,216</b>
<b>Total Foodgrains (Cereals and Pulses)</b>	( " )	<b>54,048</b>	<b>65,794</b>	<b>68,748</b>	<b>62,026</b>
<b>NON-FOODGRAINS</b>					
11. Sugar (Raw)	( " )	5,615	5,979	6,752	6,476
12. Oilseeds	( " )	5,076	5,613	6,176	5,907
(i) Groundnut (Nuts in shell)	( " )	3,426	3,801	4,200	4,271 (4,436)
(ii) Rape and Mustard	( " )	750	846	1,026	905
(iii) Sesamum	( " )	433	460	442	363 (354)
(iv) Linseed	( " )	361	413	384	271
(v) Castorseed	( " )	101	123	124	97 (89)
13. Cotton (Lint) (bales of 392 lbs.)		2,910	3,998	4,735	4,753
14. Jute (bales of 400 lbs.)		3,283	4,198	4,288	4,088 (4,052)
15. Mesta	( " )	..	1,153	1,478	1,211 (1,291)
16. Silk (Raw) (b) (lbs.)		2,629	3,081	2,974	3,184
17. Tea	( " )	6,07,318	6,35,357(c)	6,01,417(c)	..
18. Coffee	( " )	54,322	75,784(c)	78,361(c)	..
19. Rubber	( " )	31,829	49,550	48,621	..
20. Tobacco	( tons )	257	298	294	252
21. Lac	( mds. )	1,073	1,248	1,315	1,141

Notes:— (1) Figures relate to the agricultural year ending June. Items 16, 17 and 19 refer to the calendar year i.e. figures for 1950-51 relate to 1950 and so on. Item 21 refers to the financial year. (2) Figures in respect of cereals and gram relate to reporting and non-reporting areas; estimates of production in non-reporting areas in respect of other crops are not available but are not likely to be significant. (3) Figures for 1950-51 and 1955-56 are revised estimates. Those for 1956-57 and 1957-58 are partially revised and final estimates, respectively, and are, therefore, subject to revision; however, the available partially revised estimates for 1957-58 are shown in brackets.

(a) Data regarding foodgrains relate to 1949-50 which was the base year in respect of food grains for the First Five Year Plan.

(b) Figures supplied by the Central Silk Board.

(c) Provisional.

Source : Area and Production of Principal Crops in India, Pre-war Average to 1957-58 (Summary Tables).

## STATEMENT 15

## INDUSTRIAL PRODUCTION

Industry	Weight	Indices (Average of months) (Base: 1951=100)				Unit	Actual Production (Annual)	
		1955	1956	1957	1958		1957	1958
1. Textile Manufactures	48.0	113.6	119.9	116.8	112.6	Million yds.	5,317	4,927
Cotton cloth	24.1	109.2	115.2	109.7	101.8	Million lbs.	1,685	1,780
Cotton yarn	12.0	117.3	122.0	127.5	123.1	'000 tons	1,062	1,030
Jute textiles (a)	11.9	118.9	127.3	120.5	123.9	'000 tons	2,006	2,233
2. Sugar (b)	4.3	143.0	166.5	185.5	175.5	'000 tons	210	29,836
3. Paper and paper boards	1.6	140.2	146.6	159.3	191.8	In millions	435.0	453.2
4. Cigarettes	1.5	106.4	122.6	134.7	139.1	Lakh tons		
5. Coal	6.7	111.4	114.9	126.8	132.1	'000 tons	1,346	1,300
6. Iron and Steel	5.9	113.3	119.4	119.3	119.2	'000 tons	1,912	2,110
Finished Steel	4.3	117.1	124.2	125.1	120.6	'000 tons		
7. Pig Iron and Ferro-alloys	1.7	103.9	107.3	104.8	115.7	'000 tons	4,345	3,288
General Engineering	4.6	183.3	218.1	241.3	252.9	'000's	16,644	25,860
Hurricane Lanterns	1.4	138.0	130.3	109.3	82.7	Number (c)		
Diesel Engines	0.2	141.0	165.8	229.6	356.9	'000 tons	111.6	122.9
8. Chemicals and Chemical Products	4.2	159.0	171.1	181.3	205.3	'000 cases (f)	578	614
Soap (d)	1.4	118.7	132.1	133.8	147.2	'000 tons	196	227
Sulphuric Acid	0.9	106.6	106.6	100.1	106.3	Number	31,932	26,796
Matches (e)	0.2	155.4	154.5	183.3	212.3	'000's (g)	8,142	9,265
9. Automobiles	2.7	103.7	144.3	143.4	120.3	Lakh kWh	108,348	122,448
10. Rubber Products	3.4	140.2	151.6	165.5	181.3	'000 tons	5,602	6,068
Tyres	2.2	138.2	151.4	170.1	193.0	'000 tons	17.8	20.2
11. Electricity Generated (h)	2.2	144.5	164.1	184.9	209.0	'000 tons	4,620	5,712
12. Cement	1.9	140.4	154.2	175.3	189.9	'000 tons		
13. Non-Ferrous Metals	1.2	123.7	124.7	151.7	165.4	'000 tons		
Brass	0.7	116.1	120.9	158.2	179.7	'000 tons		
14. Iron ore	0.5	116.7	116.1	126.3	156.3	'000 tons		
15. General Index	100.0	122.4	132.6	137.3	139.4			

(a) Figures relate to the production by mills in the membership of the Indian Jute mills' Association and also by one non-member mill.

(b) While indices relate to the Calendar year, figures of actual production relate to the Crop year (November — October).

(c) Stationary type only.

(d) Figures refer to the production of organised factories.

(e) Includes figures for Jammu and Kashmir.

(f) 50 gross boxes of 60 sticks each.

(g) Figures are in respect of automobile and cycle tyres only.

(h) Includes figures for Jammu and Kashmir and covers all power stations owned by industrial concerns.

Source: Monthly Statistics of the Production of Selected Industries of India—Ministry of Commerce and Industry.

## STATEMENT 16

## EMPLOYMENT EXCHANGE STATISTICS

## A. Employment Service

Period	No. of exchanges at the end of the period	No. of registrations during the period	No. of appli- cants placed in employment during the period	No. of applicants on live registers at the end of the period	No. of employers using the exchanges during the period <sup>(a)</sup>	No. of vacancies notified during the period	No. of vacancies outstanding at the end of the period
1950	...	...	...	...	...	419,307	28,189
1955	...	1,210,358	331,193	330,743	5,566	280,523	42,248
1956	...	1,584,024	169,735	691,958	4,881	287,618	42,805
1957	...	1,669,895	186,855	758,503	5,431	297,188	45,156
1958	...	1,774,668	192,831	922,099	5,632	364,884	64,680
January	...	2,203,888	233,320	1,183,299	6,485	25,864	44,875
February	...	168,221	17,042	939,731	6,177	24,084	43,988
March	...	134,523	16,523	944,980	6,046	29,989	48,351
April	...	147,713	17,482	931,749	6,012	36,318	56,066
May	...	158,712	19,736	936,263	6,394	35,629	61,965
June	...	178,842	20,530	963,345	7,068	29,144	62,000
July	...	194,869	18,945	1,001,573	6,361	30,651	60,206
August	...	240,895	21,667	1,083,126	6,922	30,941	61,042
September	...	207,731	20,994	1,128,741	6,643	31,534	62,199
October	...	193,976	20,210	1,153,900	6,682	31,113	63,246
November	...	192,365	20,243	1,164,369	6,531	29,027	64,687
December	...	168,080	18,911	1,159,031	6,351	30,590	64,680
January 1959	...	212,961	21,037	1,183,299	6,638	28,713	65,267
February	...	187,924	19,255	1,195,926	6,693	27,885	63,792
March	...	173,513	19,966	1,210,523	6,664	33,641	70,623
	...	163,386	17,860	1,217,650	6,876		

<sup>(a)</sup> Annual figures are averages of months.





## STATEMENT 17

## STOCKS OF PRINCIPAL COMMODITIES WITH INDUSTRY

At or about the end of	Raw Cotton (a)(b)		Cotton Manufactures (a)		Raw Jute (c) (000 bales)	Jute Manufactures (d)	
	Indian (000 bales)	Foreign (000 bales)	Yarn (Million lbs.)	Cloth (Million yds.)		Hessian cloth and bags (Million yds).	Sacking cloth and bags (Million yds).
1950-51	.. 815	352	41	334	566	122	117
1955-56	.. 1,443	179	13	218	1,357	112	131
1956-57	.. 1,408	205	18	450	1,374	109	137
1957-58	.. 1,120	224	45	517	1,455	89	131
1958-59	.. 1,136	139	25	437	1,987	64	172
April 1957	.. 1,330	206	19	438	1,241	132	141
May "	.. 1,421	216	21	392	1,209	149	139
June "	.. 1,433	221	21	446	1,105	156	157
July "	.. 1,302	220	25	479	946	140	153
August "	.. 1,120	224	27	508	766	125	127
September "	.. 949	213	30	534	635	109	95
October "	.. 779	205	34	587	758	109	91
November "	.. 751	190	38	594	995	97	84
December "	.. 825	172	43	676	1,220	94	92
January 1958	.. 1,020	169	36	559	1,418	111	128
February "	.. 1,196	162	38	544	1,475	101	127
March "	.. 1,298	147	45	517	1,455	89	131
April "	.. 1,325	140	44	486	1,356	78	145
May "	.. 1,329	150	45	462	1,263	95	173
June "	.. 1,286	161	42	512	1,098	115	210
July "	.. 1,206	151	35	506	919	72	214
August "	.. 1,136	139	33	494	797	68	210
September "	.. 1,004	117	33	517	711	63	194
October "	.. 861	101	35	537	918	67	187
November "	.. 753	98	29	492	1,285	65	183
December "	.. 772	88	25	480	1,644	58	194
January 1959	.. 850	69	26	483	1,860	62	198
February "	.. 1,006	68	24	463	1,960	59	190
March "	.. ..	..	25	437	1,986	64	172

(a) Mill stocks; 1 bale = 392 lbs. (b) Annual figures relate to year ended August. (c) Relating to mills in the membership of Indian Jute Mills' Association; 1 bale = 400 lbs. (d) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill.

Source : Ministry of Commerce and Industry, Indian Central Jute Committee, Monthly Abstract of Statistics, Ministry of Steel, Mines and Fuel and Ministry of Food and Agriculture.

## STATEMENT 17—(Contd.)

## STOCKS OF PRINCIPAL COMMODITIES WITH INDUSTRY

At or about the end of	Coal		Cement (Producers) (000 tons)	Finished Steel (Producers) (000 tons)	Pig Iron (Producers) (000 tons)	Sugar (c) (000 tons)
	Pit Head (000 tons)	Industries (000 tons)				
1950-51	.. 2,621	2,318	67	123	47	..
1955-56	.. 3,811	1,675	96	107	50	432
1956-57	.. 3,000	1,645	112	113	43	542
1957-58	.. 3,522	2,585	106	102	62	458
1958-59	.. 3,195	3,045	123	..	..	361
April 1957	.. 3,092	1,637	111	113	39	1,314
May	.. 3,251	1,654	113	120	37	1,270
June	.. 3,252	1,815	130	126	39	1,110
July	.. 3,065	1,908	122	133	40	956
August	.. 2,780	2,022	121	139	41	754
September	.. 2,755	2,226	123	114	44	620
October	.. 2,539	2,360	124	104	43	458
November	.. 2,834	2,449	106	109	44	411
December	.. 3,279	2,427	109	98	47	627
January 1958	.. 3,418	2,501	101	89	50	911
February	.. 3,655	2,460	116	94	59	1,128
March	.. 3,522	2,585	106	102	62	1,334
April	.. 3,422	2,407	105	107	66	1,349
May	.. 3,464	2,536	98	96	71	1,212
June	.. 3,452	2,595	117	95	69	1,036
July	.. 3,357	2,689	130	94	72	872
August	.. 2,922	2,788	132	88	71	696
September	.. 2,907	3,047	151	98	64	517
October	.. 2,682	3,003	153	93	64	361
November	.. 2,572	3,170	149	94	52	286
December	.. 2,764	3,081	154	91	48	501
January	.. 2,905	2,860	156	93	48	775
February	.. 3,238	2,734	151	89	52	972
March	.. 3,195	3,045	123	81	99	1,169

(c) Annual figures relate to year ended October.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 18

### INDEX NUMBERS OF WHOLESALE PRICES (ANNUAL AND MONTHLY)

(Base : 1952-53=100)

Average of Weeks		All Commodities	Food Articles	Liquor and Tobacco	Fuel, Power, Light and Lubricants	Industrial Raw Materials	Total	Manufactures (1) Intermediate Products	(2) Finished Products
		(1000)	(504)	(21)	(30)	(155)	(290)	(41)	(249)
1954-55	..	97.4	94.6	90.6	97.1	101.9	100.6	97.4	101.1
1955-56	..	92.5	86.6	81.0	95.2	99.0	99.7	100.1	99.6
1956-57	..	105.3	102.3	84.3	104.2	116.0	106.3	110.9	105.6
1957-58	..	108.4	106.4	94.0	113.4	116.5	108.2	107.3	108.2
1958-59	..	112.9	115.2	95.4	115.4	115.6	108.1	110.3	108.0
April	1957	106.5	104.3	88.0	107.7	116.7	106.2	108.3	105.9
May	..	109.0	107.0	90.6	110.2	120.4	107.6	109.3	107.3
June	..	110.7	109.4	92.3	112.0	121.4	108.6	108.9	108.5
July	..	111.9	111.3	93.7	114.2	121.6	108.8	108.6	108.3
August	..	112.0	112.1	92.1	115.0	120.1	108.6	108.2	108.6
September	..	109.5	108.5	93.7	115.0	115.4	108.6	107.3	108.9
October	..	108.9	107.3	95.2	114.6	114.8	108.8	106.5	109.1
November	..	109.3	107.9	96.5	115.3	116.0	108.4	106.0	108.8
December	..	107.1	104.0	97.7	114.9	115.4	107.8	105.7	108.1
January	1958	106.0	102.5	96.4	113.6	113.6	107.9	106.7	107.9
February	..	104.7	100.8	96.7	114.4	111.1	107.7	105.3	107.7
March	..	105.4	102.3	94.9	114.3	111.3	107.7	106.8	107.7
April	..	107.4	105.2	93.4	114.8	114.2	107.7	108.9	107.6
May	..	108.2	107.2	92.0	114.7	113.5	107.7	108.1	107.6
June	..	111.7	113.4	92.1	115.7	115.2	107.9	109.9	107.7
July	..	114.7	118.4	92.6	115.9	117.5	108.1	111.7	107.5
August	..	115.9	120.2	90.3	116.0	118.7	108.9	112.2	108.4
September	..	116.5	121.2	90.9	115.9	119.0	108.9	111.6	108.5
October	..	116.1	121.2	93.0	115.4	116.9	108.7	110.3	108.5
November	..	114.0	118.0	96.0	114.5	113.2	108.8	110.0	108.6
December	..	111.4	113.3	96.4	114.8	112.5	108.3	110.3	108.0
January	1959	112.3	114.3	103.6	114.8	114.1	108.4	110.5	108.1
February	..	113.3	115.7	104.4	115.9	115.5	108.5	110.6	108.1
March	..	112.3	113.8	100.3	116.1	116.2	108.2	109.4	108.0

*Note.* Figures in brackets refer to weightages.

*Source :* Compiled from the data published by the Office of the Economic Adviser to the Government of India.

# STATE

## INDEX NUMBERS OF WHOLESALE

(Base : 1952-53)

Week ended (a)		General Index 1000	Food Articles				Liquor & Tobacco		Fuel, Power, and Lubricants 30
			Cereals	Pulses	Milk and Ghee	Group Index 504	Tobacco	Group Index 21	
			(192)	(43)	(84)		(20)	21	
		1	2	3	4	5	6	7	8
1 April	5, 1958	106.6	96.3	81.2	103.5	103.9	91.7	93.4	114.5
2	12, "	107.2	97.0	82.2	104.5	105.2	91.7	93.4	115.0
3	19, "	107.9	97.4	83.5	106.7	105.9	91.7	93.4	115.0
4	26, "	107.7	98.0	82.5	106.0	105.7	91.7	93.4	114.9
5 May	3, "	107.6	97.9	81.4	105.5	105.8	90.3	92.1	113.6
6	10, "	107.8	98.4	81.2	107.9	106.4	90.3	92.1	114.2
7	17, "	108.0	99.4	82.0	106.1	106.7	90.3	92.1	114.1
8	24, "	108.7	100.4	83.2	109.7	108.3	90.3	92.1	115.5
9	31, "	109.0	101.0	84.1	107.8	108.7	89.7	91.5	115.5
10 June	7, "	109.9	103.4	89.2	111.7	110.1	90.9	91.8	115.7
11	14, "	110.8	105.3	90.1	109.7	111.8	90.0	91.8	115.6
12	21, "	112.9	106.3	91.5	111.5	115.5	90.4	92.2	115.6
13	28, "	113.3	106.8	93.9	111.5	116.1	90.8	92.6	115.5
14 July	5, "	113.3	107.9	94.4	111.6	116.1	90.6	92.4	115.6
15	12, "	114.5	109.2	99.8	112.9	118.2	90.6	92.4	116.3
16	19, "	115.6	110.8	101.9	110.5	119.6	91.1	92.8	116.4
17	26, "	115.9	111.5	102.8	107.8	119.8	91.1	92.8	116.0
18 August	2, "	116.0	111.9	101.1	111.1	120.0	88.1	90.0	116.6
19	9, "	115.6	112.4	99.8	110.1	119.4	87.4	89.4	116.1
20	16, "	115.9	113.1	100.6	110.4	120.0	88.8	90.7	116.0
21	23, "	116.0	114.4	102.9	107.4	120.2	88.8	90.7	116.0
22	30, "	116.3	115.5	104.8	109.1	121.4	88.8	90.7	116.0
23 September	6, "	116.6	115.1	105.4	110.4	121.5	88.6	90.5	116.1
24	13, "	116.9	115.4	105.0	109.7	121.8	88.6	90.5	115.9
25	20, "	116.4	114.5	104.6	107.5	120.9	89.4	91.3	115.9
26	27, "	116.1	113.4	105.4	107.6	120.6	89.4	91.3	116.0
27 October	4, "	115.9	113.8	105.7	107.8	120.4	91.1	92.8	115.8
28	11, "	116.3	113.9	108.2	111.7	121.4	91.1	92.8	115.8
29	18, "	116.5	113.4	110.0	112.2	122.0	91.1	92.8	115.1
30	25, "	116.0	113.3	112.8	107.1	121.0	91.7	93.4	115.1
31 November	1, "	115.8	113.2	112.2	107.1	120.9	92.4	94.0	115.1
32	8, "	114.8	112.5	112.2	107.2	119.4	93.5	95.1	115.0
33	15, "	113.8	111.0	111.5	104.3	118.0	95.1	96.6	115.0
34	22, "	113.2	108.7	113.7	105.6	116.5	95.5	97.0	115.1
35	29, "	112.5	107.1	112.1	106.8	115.1	95.7	97.2	115.1
36 December	6, "	112.0	105.9	111.7	104.4	114.2	94.1	95.7	115.1
37	13, "	111.7	105.3	110.8	104.5	113.8	93.9	95.5	115.1
38	20, "	111.2	104.5	110.8	104.3	113.0	95.0	96.5	115.1
39	27, "	110.8	104.1	109.9	101.1	112.2	96.4	97.8	115.0
40 January	3, 1959	110.7	103.9	111.1	103.9	112.5	97.1	98.5	114.7
41	10, "	111.8	105.0	113.3	103.8	113.6	101.4	102.5	114.8
42	17, "	112.4	104.7	117.5	104.2	114.1	104.5	105.5	114.9
43	24, "	113.1	105.7	121.3	102.1	115.1	104.5	105.5	114.9
44	31, "	113.7	106.8	122.5	103.3	116.2	105.2	106.1	115.0
45 February	7, "	114.4	107.2	127.3	103.8	117.3	104.9	105.0	114.9
46	14, "	113.8	105.9	125.8	107.2	116.7	104.0	105.0	114.9
47	21, "	112.8	104.5	117.2	103.6	115.0	102.6	103.7	114.9
48	28, "	112.0	102.7	113.5	106.1	113.7	101.9	103.0	115.0
49 March	7, "	112.5	102.4	114.2	110.7	114.6	100.5	101.7	115.1
50	14, "	112.4	101.7	115.9	105.7	113.8	100.5	101.7	115.1
51	21, "	112.5	102.3	113.9	106.0	113.9	97.5	98.9	115.1
52	28, "	111.7	100.5	109.4	105.2	112.7	97.5	98.9	115.6

Note:—Figures in brackets refer to weightages of sub-groups; weightages of the main groups are shown in bold letters. Weightages of sub-groups do not add up to the total as only selected sub-groups are shown.

(a) The index is calculated from one-day-a-week prices on or about Friday of each week. (b) Comprising hides raw, skins raw, lac and rubber, etc.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 19

### PRICES (GROUPS AND SUB-GROUPS), 1958-59

- 100)

Industrial Raw Materials					Manufactures					
Fibres	Oil-seeds	Minerals	Others	Group	Total	Inter-mediate	Finished Products			
(61)	(60)	(2)	(b) (32)	Index 155			Products (41)	Total	Textiles	Chemicals
					290	(41)	(249)	(147)	(20)	(11)
9	10	11	12	13	14	15	16	17	18	19
111.4	117.9	107.3	110.2	113.6	107.8	108.4	107.7	105.6	99.1	102.8
110.8	118.6	107.3	110.3	113.7	107.5	109.1	107.2	104.8	98.8	102.8
113.4	119.7	105.1	110.2	115.1	107.8	109.1	107.6	105.3	99.1	102.8
112.7	118.7	105.1	109.9	114.3	107.8	108.8	107.7	105.2	99.1	102.8
112.8	118.8	105.1	109.2	114.3	107.8	108.5	107.7	104.9	99.1	102.8
110.7	117.8	107.3	109.8	113.2	107.7	108.4	107.5	104.5	99.4	102.8
110.5	117.9	107.3	110.2	113.3	107.8	107.6	107.8	104.9	99.4	102.8
109.4	118.7	107.3	110.4	113.2	107.6	107.9	107.5	104.5	99.1	102.9
109.7	119.3	107.3	110.7	113.6	107.5	108.2	107.4	104.4	100.3	103.0
110.1	121.0	107.3	110.7	114.4	107.7	108.8	107.6	104.2	101.3	103.0
109.5	122.8	107.3	111.2	115.0	107.7	109.2	107.5	103.5	104.2	103.0
109.7	125.2	107.3	119.2	115.8	108.1	110.6	107.7	103.5	104.4	103.0
110.3	125.9	107.3	108.2	115.9	108.2	110.9	107.8	103.7	104.8	102.9
110.3	126.0	101.0	108.5	115.8	108.5	111.1	108.0	104.1	103.7	103.5
110.0	127.2	101.0	108.7	116.3	108.6	110.8	108.2	104.2	104.4	103.4
110.6	132.6	105.2	108.5	118.7	108.7	112.3	108.1	103.7	104.2	103.4
111.7	134.1	107.3	107.3	119.4	108.7	112.5	108.1	103.7	104.9	103.4
111.1	134.5	107.3	107.4	119.4	109.0	112.8	108.4	104.2	105.4	103.4
111.6	133.2	107.3	107.2	119.0	109.0	112.6	108.4	104.3	105.0	103.4
111.7	132.9	107.3	106.8	118.8	109.0	112.4	108.4	104.2	105.9	103.4
111.1	133.9	107.3	106.5	119.0	108.9	112.2	108.4	104.0	105.9	103.4
109.1	132.6	107.3	106.7	117.7	108.7	111.0	108.3	103.9	108.1	103.4
109.0	136.0	107.3	106.0	118.8	108.8	111.4	108.4	103.7	108.8	103.5
109.0	137.6	107.3	106.0	119.5	109.0	112.1	108.5	103.7	109.5	103.5
108.2	137.4	105.2	106.6	119.2	109.0	111.4	108.6	104.0	107.9	103.5
105.9	138.2	105.2	106.3	118.5	108.9	111.4	108.5	103.8	108.4	103.5
105.9	134.8	105.2	106.8	117.3	108.9	110.5	108.6	103.9	108.1	103.5
104.3	136.1	105.2	106.6	117.1	108.9	110.7	108.6	103.8	108.0	103.5
103.8	135.1	105.2	106.9	116.6	108.6	110.1	108.4	103.4	107.2	103.5
104.2	135.1	105.2	107.3	116.8	108.5	109.3	108.4	103.3	107.4	103.6
103.5	132.6	105.2	107.9	115.7	108.7	109.5	108.5	103.3	109.2	103.6
101.6	127.8	105.2	107.7	113.1	109.1	110.0	109.0	103.7	111.1	104.2
102.0	124.1	107.3	107.9	111.9	108.7	109.6	108.6	103.2	110.6	104.3
101.9	125.6	107.3	108.4	112.5	108.9	109.8	108.7	103.3	111.1	104.3
104.4	124.0	107.3	108.2	112.8	108.5	109.9	108.2	102.4	110.7	104.3
104.9	122.5	107.3	108.6	112.5	108.6	110.2	108.4	102.6	110.4	104.3
105.3	123.0	107.3	108.3	112.8	108.4	110.3	108.1	102.1	110.8	104.3
105.2	122.2	107.3	109.3	112.6	108.1	110.5	107.7	101.5	110.3	104.3
105.4	120.5	107.3	109.6	112.2	108.0	110.2	107.6	101.5	110.6	104.3
105.0	118.2	107.3	110.2	111.2	107.9	110.1	107.6	101.7	110.8	104.3
106.6	121.2	107.3	110.4	113.1	108.4	110.8	108.0	101.9	111.9	104.3
106.9	124.8	107.3	110.2	114.5	108.5	110.6	108.1	102.1	111.3	104.5
107.2	127.5	107.3	110.4	115.7	108.5	110.6	108.1	101.8	111.4	104.5
108.5	127.5	103.6	110.2	116.2	108.6	110.4	108.4	102.2	111.3	104.5
103.5	129.2	103.6	110.6	116.9	108.6	110.6	108.3	102.0	111.0	104.8
107.1	127.0	103.6	111.2	115.6	108.4	110.3	108.0	101.6	111.3	104.7
107.0	125.1	102.5	111.1	114.8	108.4	110.9	108.0	101.8	110.0	104.7
107.0	124.5	102.5	111.4	114.6	108.6	110.2	107.7	101.4	110.2	104.7
107.2	125.3	102.9	111.4	115.0	107.9	109.6	107.6	101.5	110.1	105.5
108.4	128.7	101.4	111.2	116.8	108.1	109.7	107.9	101.9	110.3	106.0
108.9	128.8	103.6	111.0	117.0	108.4	109.1	108.2	102.4	110.8	106.1
107.2	127.7	103.6	111.3	115.9	108.3	109.0	108.2	102.4	110.8	106.1

Source: Compiled from the data published by the Office of the Economic Adviser to the Government of India.

# STATEMENT 20

## MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(Base: 1952-53 = 100)(a)

Group and Commodity	Weight	(Monthly Averages)					Percentage variation of	
		March 1955	March 1956	March 1957	March 1958	March 1959	4 over 3 6	5 over 4 7
I. All Commodities	.. ..	1	2	3	4	5		
I. Food Articles	.. ..	90.8	98.1	105.6	105.4	112.3	- 0.2	+ 6.5
(i) Cereals	.. ..	82.9	92.8	102.3	102.3	113.8	-	+ 11.2
1. Rice	(192)	70	86	99	95	102	- 4.0	+ 7.4
2. Wheat	(113)	72	86	97	100	92	- 3.1	- 8.0
3. Jowar	(53)	71	85	95	84	114	- 11.6	+ 35.7
	(10)	53	102	119	94	110	- 21.0	+ 17.0
(ii) Pulses	.. ..	49	77	84	78	113	- 7.1	+ 44.9
1. Gram	(15)	41	66	80	63	119	- 21.3	+ 88.9
(iii) Fruits and Vegetables	.. ..	86	94	111	98	118	- 11.7	+ 20.4
(iv) Milk and Ghee	(23)	83	93	98	103	107	+ 5.1	+ 3.9
(v) Edible Oils	(84)	77	106	123	118	123	- 4.1	+ 4.2
(vi) Fish, Eggs and Meat	(47)	94	93	94	103	104	- 9.6	+ 1.0
(vii) Sugar	(17)	101	95	95	118	121	- 24.2	+ 2.5
(viii) Gur	(18)	79	89	93	108	132	- 16.1	+ 22.2
(ix) Tea	(30)	253	139	160	152	157	- 5.0	+ 3.3
(x) Coffee	(19)	76	80	83	84	86	+ 1.2	- 2.4
II. Liquor and Tobacco	.. ..	86.0	78.7	87.2	94.9	100.3	+ 8.8	+ 5.7
(i) Tobacco	.. ..	85	77	85	93	99	+ 9.4	+ 6.5
III. Fuel, Power, Light and Lubricants	.. ..	95.7	96.8	106.5	114.3	116.1	+ 7.3	+ 1.6
(i) Coal (b)	.. ..	100	101	121	130	133	+ 7.4	+ 2.3
(ii) Mineral Oil	(9)	98	95	98	108	108	+ 10.2	+ 2.3
(iii) Castor Oil	(14)	49	79	105	99	93	- 5.7	- 6.7

# REPORT ON CURRENCY AND FINANCE, 1958-59

<b>V. Industrial Raw Materials</b> ..	<b>155</b>	<b>97.2</b>	<b>109.4</b>	<b>117.3</b>	<b>111.3</b>	<b>116.2</b>	<b>- 5.1</b>	<b>+ 4.4</b>
(i) Fibres ..	( 61)	114	113	121	110	108	- 9.1	- 1.8
1. Cotton Raw ..	( 32)	92	107	113	103	102	- 8.8	- 1.0
2. Jute Raw ..	( 23)	142	122	133	120	114	- 9.8	- 5.0
(ii) Oilseeds ..	( 60)	71	106	119	113	123	- 5.0	+ 13.3
1. Groundnuts ..	( 27)	64	102	112	103	121	- 8.0	+ 17.5
2. Linseed ..	( 5)	76	123	109	107	124	- 1.8	+ 15.9
3. Castorseed ..	( 2)	49	81	114	99	119	- 13.2	+ 20.2
(iii) Manganese Ore ..	( 0.5)	81	95	140	..	123	..	..
(iv) Mica ..	( 1)	83	93	94	100	99	- 6.4	- 1.0
<b>VI. Manufactures</b> ..	<b>290</b>	<b>101.1</b>	<b>102.9</b>	<b>106.2</b>	<b>107.7</b>	<b>108.2</b>	<b>+ 1.4</b>	<b>+ 0.5</b>
(A) Intermediate Products ..	41	97.4	110.5	108.9	106.8	109.4	- 1.9	+ 2.4
(i) Cotton Yarn ..	( 15)	99	101	108	97	96	- 10.2	- 1.0
(ii) Metals ..	( 8)	102	124	120	118	134	- 1.7	+ 13.6
1. Pig Iron* ..	( 1)	117	117	164	164	164	-	-
(ii) Linseed Oil ..	( 6)	79	136	105	110	113	- 4.8	+ 2.7
(B) Finished Products ..	249	101.7	101.6	105.7	107.7	108.0	- 1.9	- 0.3
(i) Cotton Manufac- tures ..	( 78)	107	109	115	116	111	- 0.9	- 4.3
(ii) Jute Manufactures ..	( 31)	108	95	94	86	82	- 8.5	- 4.7
(iii) Metal Products* ..	( 12)	110	125	131	143	145	- 9.2	-
1. Iron and Steel Manu- factures ..	( 9)	110	126	132	145	145	- 9.8	-
(iv) Chemicals ..	( 20)	95	92	97	99	110	- 2.1	+ 11.1

*Note.*—Figures in brackets refer to weightages of sub-groups. Weightages of main groups are shown in bold letters.  
(a) The revised series has a wider coverage in respect of both the number of commodities and the varieties thereof as well as the number of marketing centres in the country.  
(b) Statutory Price Control.

*Source :* Compiled from the data published by the Office of the Economic Adviser to the Government of India.



## STATEMENT 21

## CONSUMER PRICE INDEX NUMBERS (WORKING CLASS)

(Base : 1949 = 100)

			All-India	Bombay	Calcutta	Delhi	Madras	Ahmeda- bad	Banga- lore	Jam- shedpur	Kanpur
<b>Annual Average</b>											
1950-51	..	..	101	103	101	102	101	104	108	109	91
1955-56	..	..	96	110	93	100	100	89	104	99	79
1956-57	..	..	107	116	102	112	113	101	118	108	91
1957-58	..	..	112	122	105	112	117	104	128	118	93
1958-59	..	..	118	130	109	117	126	115	132	123	101
<b>Monthly Indices</b>											
March	1951	..	103	108	102	105	102	108	113	114	92
March	1956	..	100	114	93	105	105	93	108	103	83
March	1957	..	107	116	100	114	114	102	122	107	91
March	1958	..	110	124	104	108	119	102	128	119	89
April	"	..	111	127	104	107	119	105	128	118	91
May	"	..	113	126	105	108	120	106	129	119	93
June	"	..	116	129	107	111	121	110	130	120	98
July	"	..	119	133	112	116	125	115	130	122	101
August	"	..	120	132	115	117	126	116	132	125	103
September	"	..	121	132	116	117	127	117	132	131	104
October	"	..	123	132	116	119	130	117	132	130	108
November	"	..	122	131	114	120	132	118	133	128	106
December	"	..	119	130	110	118	133	117	133	121	101
January	1959	..	117	129	105	122	130	121	134	115	103
February	"	..	118	130	104	126	127	121	134	120	103
March	"	..	117	131	104	126	127	117	135	121	99

Source : The Indian Labour Gazette.

## STATEMENT 22

## VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC DURING 1955-56 TO 1958-59

(Crores of Rupees)

	Out- standing as on March 30, 1951	1955-56	1956-57	1957-58	1958-59	Out- standing as on March 27, 1959
<b>A. Money Supply with the Public (a)</b>						
1. Currency with the Public (b) ..	1,339.2	+ 193.3	+ 51.4	+ 50.1	+ 117.1	1,723.8
2. Demand liabilities of banks (c)	614.3	+ 68.1	+ 77.5	+ 17.6	— 7.5	754.9
3. Other deposits with the Reserve Bank of India (d) .. ..	26.0	+ 2.3	— 0.4	+ 8.2	— 0.6	19.2
4. Total Money Supply with the Public (1 + 2 + 3) .. ..	1,979.5	+ 263.7	+ 128.6	+ 75.9	+ 109.0	2,497.9
<b>B. Factors Affecting Money Supply (e)</b>						
1. Bank Credit to Government (i + ii + iii) — (iv + v) .. ..	745.9	+ 183.7	+ 309.0	+ 490.9	+ 333.6	2,128.6
(i) Rupee Securities held by the Reserve Bank of India .. ..	585.8	+ 172.7	+ 280.2	+ 403.4	+ 133.4	1,543.0
(ii) Loans and advances to Governments by the Reserve Bank of India .. .. .	1.6	— 0.5	+ 7.7	+ 13.6	+ 3.5	24.8
(iii) Investments of banks in Government securities (e) (f)	346.9	+ 21.2	— 11.8	+ 80.6	+ 174.1	641.3
(iv) Central Government's deposits with the Reserve Bank of India.	162.0	+ 7.9	— 2.8	— 16.2	+ 5.5	53.8
(v) State Governments' Deposits with the Reserve Bank of India.	26.4	+ 1.8	— 30.1	+ 22.9	— 28.1	26.7
2. Foreign assets held by the Reserve Bank of India (g) ..	884.2	+ 16.1 (+ 23.2)	— 219.3 (— 274.1)	— 259.8 (— 294.3)	— 53.9 (— 53.9)	213.1
3. Public's net indebtedness to the banking system (i — ii) .. ..	275.2	+ 105.3	+ 89.4	— 171.2	— 131.1	144.5
(i) Bank Credit (e) (h) .. ..	609.1	+ 147.9	+ 152.0	+ 66.3	+ 64.3	1,111.3
(ii) Timeliabilities of banks (e) ..	333.9	+ 42.6	+ 62.6	+ 237.5	+ 195.4	966.8

*Note.*—No adjustments have been made for the net inward or outward movements of currency. (a) Figures are provisional. (b) including *Hali Sica* currency upto December 1957. (c) Scheduled banks and reporting non-scheduled and State co-operative banks. (d) Excluding balance held on I.M.F. Account No. 1. (e) Figures are gross variations; no adjustments have been made in respect of extra-ordinary transactions. (f) At book value; include Treasury bills and Treasury Deposit Receipts. (g) Figures in brackets are net of borrowings from and repayments to the I.M.F. (h) Comprising: (i) Advances and (ii) Inland and foreign bills purchased and discounted in India; figures relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE MONEY SUPPLY

### CURRENCY WITH THE PUBLIC

Last Friday		India and <i>Hali Sicca</i> notes in circulation (b)	Circulation of India and <i>Hali Sicca</i> rupee coin (c)	Balances of Central and State Govern- ments held at Treasuries (d)	Cash on hand of scheduled and reporting non-scheduled and State co-operative banks	Currency with the public (including <i>Hali Sicca</i> Currency) (1+2-3-4)	Variations in currency with the public
		1	2	3	4	5	6
1	1950-51 ..	1,238.60	144.11	4.42	39.10	1,339.19	+ 87.91
2	1955-56 ..	1,424.23	123.45	1.14	41.45	1,505.09	+ 193.32
3	1956-57 ..	1,483.20	118.30	5.31	39.70	1,556.50	+ 51.41
4	1957-58 ..	1,535.96	116.46	4.23	41.59	1,606.60	+ 53.10
5	1958-59 ..	1,658.36	120.59	7.42	47.77	1,723.75	+ 117.15
6	April 1957 ..	1,519.02	118.06	6.82	43.82	1,586.44	+ 29.15
7	May ..	1,527.11	120.64	6.16	45.15	1,596.43	+ 9.99
8	June ..	1,499.28	119.92	6.34	50.00	1,562.85	- 33.58
9	July ..	1,455.93	115.32	6.66	42.49	1,522.11	- 40.74
10	August ..	1,427.73	112.89	5.80	44.04	1,490.78	- 31.33
11	September ..	1,428.21	111.02	5.52	42.68	1,491.03	+ 0.25
12	October ..	1,443.29	111.73	5.76	52.36	1,496.90	+ 5.87
13	November ..	1,435.76	111.21	5.36	42.49	1,499.11	+ 2.21
14	December ..	1,463.89	112.45	5.89	44.27	1,526.17	+ 27.06
15	January 1958 ..	1,488.03	114.47	7.27	41.78	1,553.44	+ 27.27
16	February ..	1,502.09	116.08	6.18	42.30	1,569.68	+ 16.24
17	March ..	1,535.96	116.46	4.23	41.59	1,606.60	+ 36.92
18	April ..	1,575.96	118.00	7.64	46.50	1,639.80	+ 33.20
19	May ..	1,544.61	118.86	6.47	43.34	1,613.66	- 26.15
20	June ..	1,533.93	119.97	6.54	48.12	1,599.24	- 14.42
21	July ..	1,498.66	114.70	6.17	42.40	1,564.79	- 34.45
22	August ..	1,478.63	112.68	5.47	43.13	1,542.72	- 22.07
23	September ..	1,472.81	110.35	5.74	42.40	1,535.02	- 7.70
24	October ..	1,491.27	111.46	5.82	44.22	1,552.70	+ 17.68
25	November ..	1,512.01	112.82	6.06	44.63	1,574.14	+ 21.44
26	December ..	1,546.25	113.89	6.04	47.65	1,606.45	+ 32.31
27	January 1959 ..	1,581.26	116.32	8.69	44.49	1,644.40	+ 37.95
28	February ..	1,611.47	118.61	7.16	44.98	1,677.94	+ 33.54
29	March ..	1,658.36	120.59	7.42	47.77	1,723.75	+ 45.81

Note.—No adjustments have been made for the net inward or outward movements of currency.

(a) Figures are provisional and do not include small coin in circulation; *Hali Sicca* currency is included only awaiting adjustment. (c) Estimate. (d) Figures are as on last day of the month/year. (e) Excluding balance

## MENT 23

## WITH THE PUBLIC (a)

DEPOSIT MONEY				(Crores of Rupees)		
Demand liabilities (excluding inter-bank demand deposits) of scheduled and reporting non-scheduled and State co-operative banks	'Other deposits' with the Reserve Bank (e)	Deposit money with the public (7 + 8)	Variations in deposit money	Money Supply with the public (including Hali Sica Currency) (5 + 9)	Variations in money supply with the public (6 + 10)	
7	8	9	10	11	12	
614.29	26.01	640.30	+ 30.93	1,979.45	+ 118.84	1
667.22	12.01	679.23	+ 70.37	2,184.32	+ 263.69	2
744.74	11.65	756.39	+ 77.16	2,312.49	+ 128.57	3
762.36	19.87	782.22	+ 25.83	2,388.83	+ 75.94	4
754.87	19.25	774.12	8.10	2,497.87	+ 169.04	5
763.43	12.51	775.93	+ 19.54	2,362.37	+ 49.48	6
762.01	23.55	785.55	+ 9.62	2,381.99	+ 19.62	7
758.55	22.64	781.19	+ 4.36	2,344.04	+ 37.95	8
763.41	21.89	785.30	+ 4.11	2,397.41	+ 36.63	9
735.72	11.42	747.14	+ 38.16	2,237.92	+ 69.49	10
729.99	12.81	742.79	+ 4.35	2,233.62	+ 4.10	11
768.23	14.56	782.79	+ 40.00	2,279.69	+ 45.87	12
730.54	13.12	743.66	+ 39.13	2,242.78	+ 36.91	13
732.24	16.51	748.75	+ 5.09	2,274.92	+ 32.14	14
748.23	16.01	764.24	+ 15.49	2,317.68	+ 42.76	15
743.72	15.20	758.91	+ 5.33	2,328.59	+ 10.91	16
762.36	19.87	782.22	+ 23.31	2,388.83	+ 60.24	17
792.47	14.67	807.14	+ 24.92	2,446.94	+ 58.11	18
763.64	15.20	778.84	+ 28.30	2,392.50	+ 54.44	19
765.87	14.44	780.31	+ 1.47	2,379.55	+ 12.95	20
770.65	14.85	785.50	+ 5.19	2,350.29	+ 29.26	21
751.61	14.70	766.31	+ 19.19	2,309.03	+ 41.26	22
765.10	14.40	779.50	+ 13.19	2,314.52	+ 5.49	23
721.23	16.14	737.37	+ 42.13	2,290.08	+ 24.44	24
727.68	17.57	745.25	+ 7.88	2,319.38	+ 29.30	25
726.03	17.38	743.40	+ 1.85	2,349.85	+ 30.47	26
730.69	15.92	746.62	+ 3.22	2,391.02	+ 41.17	27
743.59	15.84	760.41	+ 12.81	2,437.36	+ 46.34	28
754.87	19.25	774.12	+ 14.69	2,497.87	+ 60.51	29

upto December 1957. (b) Figures are net of the return of about Rs. 43 crores of India notes from held on I. M. F. Account No. I.

STATE

SEASONAL VARIATIONS IN MONEY

	1953-54		1954-55	
	Slack season	Busy season	Slack season	Busy season
	1	2	3	4
<b>A. Money Supply with the public (a)</b>				
1. Currency with the public (b) .. .. .	- 100.2	+ 133.3	66.6	+ 157.4
2. Demand liabilities of banks (c) .. .. .	- 9.6	+ 10.9	+ 21.0	+ 35.2
3. Other Deposits with the Reserve Bank of India (d) .. .. .	- 1.6	+ 4.9	- 5.8	+ 0.7
4. Total Money Supply with the public (1 + 2 + 3) .. .. .	- 111.3	+ 149.2	- 51.4	+ 193.4
<b>B. Factors Affecting Money Supply (e)</b>				
1. Bank Credit to Government (i + ii + iii) - (iv + v) .. .. .	- 14.3	- 8.6	+ 42.0	+ 97.7
(i) Rupee securities held by the Reserve Bank of India .. .. .	- 30.6	- 17.6	+ 24.8	+ 62.5
(ii) Loans and advances to Governments by the Reserve Bank of India .. .. .	- 3.9	+ 0.7	- 0.1	+ 0.2
(iii) Investments of banks in Government Securities (c), (d) (f) .. .. .	+ 39.9	- 16.0	+ 28.2	+ 4.9
(iv) Central Government's Deposits with the Reserve Bank of India .. .. .	+ 4.8	- 22.1	+ 16.7	- 52.4
(v) State Governments' Deposits with the Reserve Bank of India .. .. .	+ 14.9	- 2.2	- 5.8	+ 12.5
2. Foreign assets held by the Reserve Bank of India (g) .. .. .	- 16.1 (- 16.1)	+ 51.9 (+ 59.1)	- 26.8 (- 21.8)	- 10.2 (- 7.0)
3. Public's net indebtedness to the banking system (i - ii) .. .. .	- 87.1	+ 104.3	- 74.2	+ 66.9
(i) Bank Credit (e) (h) .. .. .	- 75.5	+ 105.4	- 50.2	+ 98.4
(ii) Time liabilities of banks (c) .. .. .	+ 11.6	+ 1.1	+ 24.0	+ 31.5

*Note.*— Slack season is from May to October and the busy season is from November to April. No adjustments have been made for the net inward or outward movements of currency.

(a) Figures are provisional.

(b) Including *Hali Sicca* currency upto December 1957.

(c) Scheduled banks and reporting non-scheduled and State co-operative banks.

(d) Excluding balance held on I. M. F. Account No. 1.

## MENT 24

## SUPPLY WITH THE PUBLIC

(Crores of Rupees)

1955-56		1956-57		1957-58		1958-59		Outstanding as on April 24, 1959
Slack season	Busy season	Slack season	Busy season	Slack season	Busy season	Slack season	Busy season	
5	6	7	8	9	10	11	12	13
— 14.5	+ 206.8	— 95.7	+ 143.9	— 89.5	+ 142.9	— 87.1	+ 219.4	1,772.1
+ 21.5	+ 41.7	— 7.8	+ 93.8	+ 4.8	+ 24.2	— 71.2	+ 68.0	789.2
+ 0.1	+ 1.4	— 1.7	+ 1.7	+ 2.1	+ 0.1	+ 1.5	+ 2.0	18.2
+ 10.1	+ 249.9	— 105.1	+ 239.4	— 82.7	+ 167.3	— 156.9	+ 289.4	2,579.5
+ 77.8	+ 107.0	+ 56.0	+ 268.7	+ 223.4	+ 258.3	+ 198.0	+ 171.3	2,228.8
+ 18.6	+ 148.9	+ 33.0	+ 261.5	+ 155.3	+ 208.2	+ 95.7	+ 130.1	1,626.5
— 0.9	+ 1.8	+ 1.6	+ 12.4	+ 33.7	+ 4.8	— 37.9	+ 27.1	43.9
+ 53.6	— 37.6	+ 17.8	— 27.9	+ 38.7	+ 50.4	+ 175.4	— 3.1	645.0
— 1.7	+ 9.3	— 4.4	— 1.3	— 0.3	+ 0.5	+ 18.7	— 18.1	53.6
— 4.8	— 3.2	+ 0.8	— 21.4	+ 4.6	+ 4.6	+ 16.5	+ 0.9	33.0
— 2.8	+ 13.3	— 143.4	— 77.3	— 177.8	— 59.3	— 89.4	+ 30.3	208.7
(+ 4.3)	(+ 19.3)	(— 143.4)	(— 138.0)	(— 212.3)	(— 59.3)	(— 89.4)	(+ 30.6)	
67.3	+ 161.8	— 21.0	+ 108.0	— 150.1	— 44.1	— 238.1	+ 128.7	123.4
— 26.5	+ 169.4	+ 11.6	+ 155.0	— 37.1	+ 85.4	— 101.5	+ 181.2	1,118.3
+ 40.8	+ 7.6	+ 32.6	+ 47.0	+ 113.0	+ 129.5	+ 136.7	+ 52.5	994.9

(e) Figures are gross variations ; no adjustments have been made in respect of extra-ordinary transactions except in figures given in brackets under item B2.

(f) At book value ; include Treasury Bills and Treasury Deposit Receipts.

(g) Figures in brackets are net of borrowings from and repayments to the I.M.F.

(h) Comprising (1) advances and (2) inland and foreign bills purchased and discounted in India; figures relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE

### CONSOLIDATED POSITION OF SCHEDULED

				Demand Liabilities		Time Liabilities		Total Gross Liabilities	Aggregate Deposit Liabilities(h)	Borrowings from		Cash	Balances with Reserve Bank
		No. of Reporting banks at the end of period	Borrowings from banks(a)	Others	Borrowings from banks(a)	Others	(2+3+4+5)	(3+5)	Reserve Bank	State Bank	10		
Average of Friday Figures		1	2	3	4	5	6	7	8	9	10	11	
1	1950-51	.. 93	20,75	578,38	1,01	277,44	877,59	855,83	4,46	..	34,68	60,78	
2	1955-56	.. 89	9,20	599,44	3,86	404,09	1,016,59	1,003,54	24,51	7,67	34,64	52,52	
3	1956-57	.. 89	9,66	643,69	2,70	451,22	1,107,27	1,094,91	63,45	10,13	36,94	50,23	
4	1957-58	.. 92	15,31	707,86	10,33	608,83	1,342,33	1,316,68	44,58	7,02	39,38	77,62	
5	1958-59	.. 93	22,35	715,75	29,66	833,14	1,600,90	1,548,89	17,81	6,67	40,27	84,03	
As at the close of last Friday													
6	1950-51	.. 93	23,62	592,55	8	288,06	904,31	880,61	12,41	..	34,95	58,36	
7	1955-56	.. 89	4,87	630,80	3,01	412,35	1,051,02	1,043,15	65,08	19,71	35,84	48,90	
8	1956-57	.. 89	8,27	703,61	1,97	471,69	1,185,54	1,175,30	103,16	11,60	33,98	54,28	
9	1957-58	.. 92	15,29	730,65	14,86	720,59	1,481,39	1,451,24	42,00	11,68	37,19	67,85	
10	1958-59	.. 93	11,24	722,38	21,81	912,63	1,668,06	1,635,01	61,86	14,79	43,36	64,40	
1958-59 (Weekly)													
As at the close of 1958													
11	April	4 .. 92	15,98	750,57	15,02	729,14	1,510,71	1,479,71	37,94	11,05	42,10	82,88	
12	"	11 .. 92	17,45	757,30	15,13	742,76	1,532,64	1,500,06	22,16	8,76	40,11	76,00	
13	"	18 .. 92	18,37	754,57	15,14	749,36	1,537,44	1,503,93	19,79	7,95	39,48	86,51	
14	"	25 .. 92	17,42	757,81	14,74	754,30	1,544,26	1,512,11	19,85	6,81	41,92	90,86	
15	May	2 .. 92	18,77	733,92	16,00	774,07	1,542,75	1,507,99	20,93	6,90	40,00	98,65	
16	"	9 .. 92	19,87	731,20	16,24	773,91	1,541,21	1,505,11	18,64	6,65	40,43	107,50	
17	"	16 .. 92	17,35	726,10	16,08	769,24	1,528,76	1,495,33	31,86	6,46	39,36	68,00	
18	"	23 .. 92	15,72	724,38	16,49	776,59	1,533,18	1,500,97	21,16	5,80	38,17	69,43	
19	"	30 .. 92	17,36	729,13	15,91	777,13	1,539,53	1,506,26	16,07	5,99	38,96	74,50	
20	June	6 .. 92	20,98	727,50	24,44	767,71	1,540,64	1,495,21	17,29	5,59	39,20	74,47	
21	"	13 .. 92	26,41	721,08	26,97	770,76	1,545,22	1,491,84	15,44	5,30	38,87	77,48	
22	"	20 .. 92	25,87	717,54	33,08	774,83	1,551,33	1,492,38	12,71	4,45	39,12	90,29	
23	"	27 .. 92	25,36	731,19	35,65	771,22	1,563,42	1,502,41	14,95	3,38	43,72	95,24	
24	July	4 .. 91	28,00	719,44	37,81	775,47	1,560,72	1,494,91	13,41	3,82	42,09	88,46	
25	"	11 .. 92	31,99	720,25	37,73	777,43	1,567,41	1,497,69	11,64	4,15	39,37	95,67	
26	"	18 .. 92	29,03	721,26	34,78	780,66	1,565,73	1,501,92	15,34	5,89	38,38	84,18	
27	"	25 .. 92	31,36	737,17	35,05	799,06	1,602,64	1,536,23	9,67	4,66	38,12	102,67	
28	August	1 .. 91	31,95	721,80	38,07	809,44	1,601,27	1,531,24	9,24	4,26	37,84	104,35	
29	"	8 .. 91	35,37	714,30	37,47	810,06	1,597,20	1,524,36	6,79	3,67	37,40	90,81	
30	"	15 .. 91	34,03	716,77	36,65	816,73	1,604,19	1,533,51	4,56	3,74	39,13	93,00	
31	"	22 .. 91	26,68	720,63	38,51	817,75	1,603,57	1,538,38	2,59	3,77	37,66	101,09	
32	"	29 .. 91	27,46	718,20	39,67	818,20	1,603,52	1,536,39	2,71	3,55	38,94	98,10	

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 25

### BANKS (ANNUAL AND WEEKLY)

(Lakhs of Rupees)											
Excess of (11) over the Statutory Minimum	Total Cash and Balances with the Reserve Bank (10 + 11)	Percentage of (13) to (7)	Balances with other Banks in Current Account	Money at Call and Short Notice	Investments in Government Securities (c)	Percentage of (17) to (7)	Bills Purchased and Discounted		Advances	Total Bank Credit (19 + 20 + 21)	Percentage of (22) to (7)
12	13	14	15	16	17	18	19	20	21	22	23
25.25	95.46	11.2	..	..	..	..	11,87(d)	..	447,03(c)	458.90	53.6
13.93	87.16	8.7	10.75	15.62	370.71	36.9	74.70	43.38	514.37	632.45	63.0
8.48	87.17	8.0	10.51	13.11	359.35	32.8	105.44	50.12	626.09	781.65	71.1
29.08	117.00	8.9	11.05	34.91	381.65	29.2	116.05	51.78	722.97	890.80	67.7
29.87	124.30	8.0	12.90	48.21	564.92	36.5	93.77	39.81	765.59	899.17	58.1
21.78	93.30	10.6	..	..	..	..	13,26(d)	..	533.66(c)	546.93	62.1
8.81	84.73	8.1	10.81	6.31	359.90	31.5	102.02	46.77	612.45	761.25	73.0
9.21	88.26	7.5	11.31	11.62	347.18	29.5	117.52	58.92	723.60	900.04	76.6
15.85	105.04	7.2	11.30	41.60	440.46	30.4	116.90	39.62	806.21	962.73	66.3
9.02	107.76	6.6	13.59	26.88	613.37	37.5	109.78	38.82	865.07	1,013.67	62.0
29.67	124.98	8.5	12.15	44.00	440.55	29.8	120.92	40.26	896.93	968.11	65.4
22.11	116.11	7.7	13.47	55.69	441.43	29.4	117.97	39.55	804.92	961.44	61.1
32.57	125.98	8.1	12.62	56.34	443.36	29.5	116.86	40.59	801.19	952.64	63.7
36.72	132.78	8.8	11.84	56.17	444.55	29.4	118.20	49.94	797.47	956.61	63.3
45.22	138.65	9.2	11.98	55.56	445.05	29.5	115.61	41.93	798.33	955.86	63.4
54.14	147.93	9.8	12.57	58.73	425.05	28.2	111.27	42.04	795.24	948.55	63.0
15.12	107.36	7.2	11.87	51.54	438.66	29.3	110.74	40.85	790.28	941.87	63.0
16.56	107.60	7.2	11.75	55.98	439.84	29.3	109.04	40.98	783.76	933.78	62.2
21.31	113.45	7.5	11.97	55.09	478.05	31.7	106.38	39.26	777.88	923.51	61.3
21.20	113.66	7.6	11.65	54.36	483.76	32.4	106.06	39.43	775.05	920.54	61.6
24.16	116.35	7.8	12.05	55.99	484.83	32.5	105.11	38.77	768.79	912.67	61.2
36.96	129.41	8.7	11.79	56.27	484.78	32.5	102.99	38.79	761.66	903.45	60.5
41.27	138.96	9.3	17.89	56.11	487.39	32.4	96.46	36.60	770.31	902.77	60.1
34.83	130.55	8.7	12.45	55.41	499.67	33.4	97.17	34.91	769.39	901.47	60.3
41.76	135.05	9.0	13.59	59.23	503.53	33.6	92.79	35.21	765.79	893.81	59.7
30.36	122.56	8.2	11.77	54.85	515.86	34.1	86.79	37.12	772.18	896.08	59.7
47.56	140.79	9.2	11.89	57.05	537.39	35.0	88.29	38.33	759.50	886.13	57.7
49.72	142.19	9.3	12.56	60.97	541.30	35.4	89.03	38.04	756.02	883.10	57.7
36.37	128.21	8.4	12.33	63.48	545.95	35.8	85.85	38.28	755.89	880.02	57.7
38.40	132.13	8.6	12.49	63.11	556.63	36.3	84.36	38.36	747.73	870.45	56.8
46.60	138.75	9.0	12.67	55.18	563.82	36.7	83.55	38.97	736.85	859.37	55.9
43.66	137.04	8.9	12.37	55.52	571.90	37.2	83.66	39.18	733.73	856.57	55.8



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE

### CONSOLIDATED POSITION OF SCHEDULED

				Demand Liabilities			Time Liabilities		Total Gross Liabilities (2+3+4+5)	Aggregate Deposit Liabilities (b) (3+5)	Borrowings from			
				No. of Reporting banks at the end of period	Borrowings from banks(a)	Others	Borrowings from banks(a)	Others			Reserve Bank	State Bank	Cash	Balances with Reserve Bank
1958-59 (Weekly) As at the close of 1958				1	2	3	4	5	6	7	8	9	10	11
33	September	5	..	91	27,74	715,04	36,97	813,41	1,593,16	1,528,45	5,96	4,23	37,29	93,55
34	"	12	..	91	26,71	730,07	36,68	808,62	1,602,08	1,538,69	2,59	3,89	40,30	86,43
35	"	19	..	92	25,22	733,56	36,78	806,35	1,601,92	1,539,92	5,37	4,27	40,66	89,77
36	"	26	..	92	25,04	730,91	37,82	811,80	1,605,59	1,542,70	1,56	3,73	38,45	100,23
37	October	3	..	92	29,19	707,79	38,36	831,37	1,606,71	1,539,16	1,71	3,65	40,64	93,48
38	"	10	..	92	23,19	696,85	39,04	842,32	1,601,40	1,539,17	1,73	3,33	38,03	85,82
39	"	17	..	92	25,25	734,58	38,87	857,45	1,656,16	1,592,03	1,45	3,02	39,17	109,29
40	"	24	..	92	24,79	719,69	38,71	868,23	1,651,42	1,587,91	1,81	3,48	43,00	134,44
41	"	31	..	92	23,10	688,22	39,21	888,22	1,638,75	1,576,44	2,26	2,96	39,98	106,46
42	November	7	..	92	23,29	682,20	39,46	887,38	1,632,33	1,569,59	4,67	4,48	39,68	81,01
43	"	14	..	92	15,52	691,77	37,58	883,17	1,628,04	1,574,94	4,94	5,13	46,93	73,71
44	"	21	..	92	15,44	698,48	38,95	889,42	1,642,30	1,587,90	1,36	3,40	41,61	98,38
45	"	28	..	92	17,13	695,22	39,35	880,46	1,632,16	1,575,68	1,56	3,44	40,31	86,00
46	December	5	..	92	22,26	687,85	38,06	890,33	1,633,50	1,573,18	1,85	4,10	39,50	70,68
47	"	12	..	92	21,07	686,12	36,76	887,12	1,631,07	1,573,24	9,77	5,11	39,57	70,03
48	"	19	..	92	19,10	687,15	35,81	886,14	1,628,21	1,573,29	10,80	5,56	39,50	72,86
49	"	26	..	93	23,95	693,96	29,84	879,57	1,627,32	1,573,53	10,95	7,79	43,32	76,01
1959														
50	January	2	..	93	19,53	708,39	27,84	874,38	1,630,14	1,582,77	22,82	7,64	45,14	71,38
51	"	9	..	93	21,81	690,63	26,21	878,38	1,617,03	1,569,01	35,29	9,06	40,29	67,36
52	"	16	..	93	21,38	695,37	25,54	871,94	1,614,23	1,567,31	41,26	8,96	41,52	69,28
53	"	23	..	93	25,28	702,56	23,62	875,66	1,627,12	1,578,22	29,96	10,11	39,99	67,78
54	"	30	..	93	21,32	698,27	23,72	886,66	1,629,97	1,584,93	39,56	10,83	40,40	71,59
55	February	6	..	93	19,51	691,48	23,11	895,70	1,629,80	1,587,18	35,22	14,31	40,59	66,63
56	"	13	..	93	17,64	695,05	22,95	897,03	1,632,67	1,592,07	42,27	12,65	42,31	70,08
57	"	20	..	93	19,05	706,03	23,38	901,31	1,649,77	1,607,34	28,57	11,80	40,72	70,43
58	"	27	..	93	18,30	711,84	23,25	897,80	1,651,19	1,609,64	31,23	11,63	40,78	73,05
59	March	6	..	93	18,44	711,81	21,83	896,63	1,648,71	1,608,44	35,92	14,16	39,30	64,96
60	"	13	..	93	15,98	727,33	21,99	896,24	1,661,54	1,623,56	46,42	13,16	42,00	64,10
61	"	20	..	93	13,08	730,18	22,20	891,83	1,657,29	1,622,01	60,70	14,28	39,51	70,26
62	"	27	..	93	11,24	722,38	21,81	912,63	1,668,06	1,635,01	61,86	14,79	43,36	64,40

(a) Excluding borrowings from the Reserve Bank of India and with effect from April 18, 1952 also those from the State Bank of India (Imperial Bank of India before July 1, 1955).

(b) Although the totals include certain non-deposit items, the term 'deposit liabilities' is used here since the predominant portion of banks' liabilities consists of deposits.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 25 - (Contd.)

### BANKS (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

Excess of (11) over the Statutory Minimum	Cash and Balances with the Reserve Bank (10 + 11)	Percent- age of (13) to (7)	Deposits with other Banks in Current Account	Money at Call and Short Notice	Investments in Government Securities (c)	Percent- age of (17) to (7)	Bills Purchased and Discounted	Advances	Total Bank Credit (19 + 20 + 21)	Percentage of (22) to (7)		
							Inland Foreign					
12	13	14	15	16	17	18	19	20	21	22	23	
39.40	130.84	8.6	13.01	54.92	578.29	37.8	85.32	39.41	730.20	854.93	55.9	33
31.68	126.73	8.2	12.58	51.26	584.60	38.0	82.94	39.38	729.17	851.48	55.3	34
34.96	130.42	8.5	12.30	54.40	587.79	38.2	81.89	39.84	728.43	850.16	55.2	35
45.44	138.58	9.0	12.64	53.62	590.47	38.3	81.00	40.05	720.18	841.23	51.5	36
39.24	134.12	8.7	12.56	57.13	592.24	38.5	79.32	40.72	725.93	845.97	55.0	37
32.19	123.88	8.1	12.74	50.99	594.64	38.6	76.91	42.25	715.60	834.76	51.2	38
53.37	148.46	9.2	12.81	50.62	599.45	37.7	75.67	43.86	721.47	840.95	52.8	39
79.08	177.44	11.2	13.54	41.37	602.48	37.5	79.86	43.54	715.82	839.22	52.9	40
52.35	146.44	9.3	13.45	48.37	619.30	39.3	80.47	43.73	714.50	838.70	53.2	41
27.20	120.69	7.7	12.93	50.51	641.29	10.9	81.30	45.12	718.46	844.88	53.8	42
19.93	120.63	7.7	13.52	40.91	641.99	10.8	81.93	42.23	716.93	841.09	53.1	43
44.11	139.96	8.8	13.56	42.13	640.16	10.3	80.69	43.11	707.05	839.84	52.3	44
31.99	126.31	8.6	13.44	43.25	643.64	10.9	81.49	41.26	709.96	832.72	52.9	45
16.86	116.15	7.0	13.59	47.81	630.25	11.7	83.01	41.32	716.91	841.23	53.5	46
16.19	109.60	7.0	12.99	43.85	647.70	11.2	82.07	39.96	727.70	849.74	54.0	47
19.11	112.36	7.1	13.50	41.31	642.52	10.8	82.10	40.56	737.42	860.09	51.7	48
21.93	119.34	7.6	13.64	42.99	637.17	10.5	83.30	40.84	741.48	865.62	55.0	49
16.94	116.52	7.1	14.30	36.88	633.09	10.0	88.43	39.81	757.07	885.31	54.9	50
13.65	107.65	6.9	13.63	36.48	633.66	10.1	88.95	40.57	772.09	901.62	57.5	51
15.49	110.79	7.1	13.80	35.51	635.54	10.6	91.71	40.38	775.26	905.29	57.8	52
13.40	107.77	6.8	13.39	39.14	634.26	10.2	93.23	40.48	775.57	909.08	57.6	53
17.40	111.99	7.1	13.22	37.01	635.28	10.1	97.61	38.92	784.42	920.95	58.1	54
12.70	107.21	6.8	12.90	36.39	623.35	10.3	99.76	38.20	800.19	938.15	59.1	55
16.05	112.39	7.1	13.00	34.20	617.25	10.8	98.52	36.22	811.61	946.34	59.4	56
15.68	111.14	6.9	12.83	35.48	614.24	10.2	99.04	37.90	815.61	952.56	59.3	57
18.12	113.83	7.1	12.65	33.86	612.01	10.0	98.19	37.31	823.45	958.95	59.5	58
10.07	104.26	6.5	12.90	32.62	622.06	10.7	98.14	38.06	833.79	969.99	60.3	59
8.57	106.10	6.5	13.17	31.62	618.74	10.1	99.31	38.61	840.81	979.23	60.3	60
14.81	109.77	6.8	12.80	27.86	614.51	10.9	104.43	40.00	852.69	997.12	61.5	61
9.02	107.76	6.6	13.59	26.88	613.37	10.5	109.78	38.82	865.07	1,013.60	62.0	62

(c) At book value ; including Treasury Bills and Treasury Deposit Receipts.

(d) Relates to ' Inland bills discounted ' only.

(e) Includes ' Inland bills purchased ' and ' Money at call and short notice. '

# STATEMENT 26

## SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

Season	Demand Liabilities	Time Liabilities	Aggregate Deposit Liabilities (a)	Borrowings from Reserve Bank	Cash and Balances with Reserve Bank	Cash ratios (b) at the end of the period	Investments in Government Securities (c)	Investment ratio (d) at the end of the period	Bank credit (e)	Credit-deposit ratio (f) at the end of the period
	1	2	3	4	5	6	7	8	9	10
Slack 1959	.. +11.68	.. 4	.. 11.72	.. 3.22	.. 22.10	13.0	.. 37.88(g)	43.3(g)	.. 74.43(h)	47.7 (h)
Busy 1950-51	.. 4.74	.. 22.30	.. 17.56	.. 9.24	.. 25.21	0.9	.. 65.91(g)	34.8(g)	.. 163.43(h)	65.4 (h)
Slack 1957	.. 40.97	.. 37.84	.. 58.82	.. 17.27	.. 12.41	9.1	.. 17.71	35.4	.. 31.35	58.0
Busy 1955-56	.. +36.95	.. 5.00	.. 41.95	.. +50.35	.. 6.74	8.1	.. 6.93	33.4	.. 164.49	71.2
Slack 1956	.. 5.17	.. 20.66	.. 24.48	.. 7.91	.. 1.02	3.0	.. 10.04	34.2	.. 3.67	70.0
Busy 1956-57	.. 26.66	.. 46.44	.. 133.11	.. 4.90	.. 16.00	5.3	.. 26.96	28.2	.. 148.42	74.5
Slack 1957	.. 17.97	.. 125.06	.. 143.03	.. 12.94	.. 10.22	10.5	.. 49.67	28.9	.. 41.89	63.6
Busy 1957-58	.. 19.75	.. 128.81	.. 148.56	.. 9.92	.. 10.74	8.8	.. 50.41	29.4	.. 89.42	63.3
Slack 1958	.. 80.59	.. 133.92	.. 64.23	.. 17.50	.. 1.68	0.3	.. 174.5	30.3	.. 177.91	53.2
Busy 1958-59	.. +66.21	.. 49.67	.. 115.88	.. +24.94	.. 13.67	7.8	.. 3.18	36.4	.. 181.54	60.3
Outstanding as on April 24, 1959	.. 754.43	.. 937.80	.. 1,692.32	.. 27.26	.. 1,77.77	.. 6.16,12	.. 10,20,24			

Note.—The slack season is from May to October and the busy season is from November to April.

(a) Although the totals include certain non-deposit items, the term 'deposit liabilities' is used here since the predominant portion of banks' liabilities consists of deposits. (b) Percentage of Cash and Balances with the Reserve Bank of India to aggregate Deposit Liabilities. (c) At book value; include Treasury bills and Treasury Deposit Receipts. (d) Percentage of Investments in Government Securities to aggregate Deposit Liabilities. (e) Includes foreign bills purchased and discounted in India from May 14, 1954. (f) Percentage of Bank Credit to aggregate Deposit Liabilities. (g) Based on Form XIII submitted by scheduled banks. (h) Excluding foreign bills purchased and discounted in India and including money-at-call and short-notice.

## STATEMENT 27

ADVANCES OF THE RESERVE BANK OF INDIA TO  
SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS

(Lakhs of Rupees)

					Scheduled Banks			State Co-operative Banks
					Against usance bills and/or pro- missory notes	Other advances	Total	
					1	2	3	4
Outstanding as on Last Friday of								
1950-51	..	..	..	..	—	12,41	12,41	3,42 (a)
1955-56	..	..	..	..	27,43	37,65	65,08	13,20
1956-57	..	..	..	..	71,54	31,62	103,16	22,28
1957-58	..	..	..	..	26,58	15,42	42,00	35,01
1958-59	..	..	..	..	13,48	48,38	61,86	49,72
Outstanding as at the close of								
April	4,	1958	..	..	24,19	13,75	37,94	34,48
"	11,	"	..	..	19,65	3,10	22,16	33,71
"	18,	"	..	..	17,33	2,46	19,79	33,21
"	25,	"	..	..	17,72	2,13	19,85	33,29
May	2,	"	..	..	18,16	2,77	20,93	34,68
"	9,	"	..	..	17,10	1,54	18,64	35,90
"	16,	"	..	..	26,32	5,54	31,86	35,84
"	23,	"	..	..	20,03	1,13	21,16	36,62
"	30,	"	..	..	14,95	1,12	16,07	38,87
June	6,	"	..	..	16,16	1,13	17,29	39,08
"	13,	"	..	..	14,46	98	15,44	39,87
"	20,	"	..	..	11,76	95	12,71	40,90
"	27,	"	..	..	14,22	73	14,95	41,20
July	4,	"	..	..	12,28	1,13	13,41	44,01
"	11,	"	..	..	10,86	78	11,64	44,14
"	18,	"	..	..	12,63	2,71	15,34	44,98
"	25,	"	..	..	7,80	1,87	9,67	44,47
August	1,	"	..	..	6,94	2,31	9,24	45,13
"	8,	"	..	..	5,54	1,25	6,79	45,66
"	15,	"	..	..	3,28	1,28	4,56	45,94
"	22,	"	..	..	1,93	66	2,59	46,38
"	29,	"	..	..	1,91	80	2,71	46,36
September	5,	"	..	..	4,52	1,44	5,96	46,63
"	12,	"	..	..	1,71	88	2,59	47,03
"	19,	"	..	..	3,43	1,94	5,37	48,31
"	26,	"	..	..	1,08	48	1,56	48,91
October	3,	"	..	..	97	74	1,71	49,03
"	10,	"	..	..	1,11	62	1,73	49,05
"	17,	"	..	..	97	48	1,45	49,83
"	24,	"	..	..	97	84	1,81	49,93
"	31,	"	..	..	92	1,34	2,26	50,17
November	7,	"	..	..	1,17	3,50	4,67	51,15
"	14,	"	..	..	96	3,98	4,94	52,41
"	21,	"	..	..	70	66	1,36	52,02
"	28,	"	..	..	67	89	1,56	51,89
December	5,	"	..	..	67	1,18	1,85	51,81
"	12,	"	..	..	68	9,09	9,77	52,75
"	19,	"	..	..	82	9,98	10,80	54,08
"	26,	"	..	..	1,84	9,11	10,95	53,50
January	2,	1959	..	..	3,04	19,78	22,82	53,63
"	9,	"	..	..	2,24	33,05	35,29	53,29
"	16,	"	..	..	3,21	33,05	41,26	52,64
"	23,	"	..	..	4,83	25,13	29,96	53,81
"	30,	"	..	..	5,11	34,45	39,56	53,33
February	6,	"	..	..	4,60	30,62	35,22	54,07
"	13,	"	..	..	5,53	36,74	42,27	53,62
"	20,	"	..	..	5,62	22,95	28,57	54,76
"	27,	"	..	..	5,75	25,48	31,23	53,56
March	6,	"	..	..	5,53	30,39	35,92	52,69
"	13,	"	..	..	6,16	40,26	46,42	52,06
"	20,	"	..	..	10,29	50,41	60,70	50,46
"	27,	"	..	..	13,48	48,38	61,86	49,72

(a) As on March 31, 1951.

## RESERVE BANK OF INDIA

## Short-term loans to State Co-operative Banks

For seasonal agricultural operations and marketing of crops [17(4) (a), (2) (b) or (4) (c)] at 2 per cent below Bank rate(b)		For non-agricultural purposes								
		For financing handloom weavers' societies				For general banking purposes [17(4) (a)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17(2) (b) or (4) (c)] at Bank rate		
		For purchase of yarn [17(2)(a) or (4)(c)] at Bank rate		For production and marketing activities [17(2) (bb) or (4)(c)] at 1½ per cent below Bank rate						
Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	
1	2	3	4	5	6	7	8	9	10	
1950-51 ...	537.30	339.20	—	—	—	—	42.30	2.30	—	—
1951-52 ...	1128.68	781.38	—	—	—	—	—	—	—	—
1952-53 ...	976.05	637.20	31.90	6.10	—	—	40.00	40.00	—	—
1953-54 ...	1384.45	801.43	37.70	15.80	—	—	10.00	35.00	—	—
1954-55 ...	1729.34	913.95	18.40	6.40	—	—	1.00	—	—	—
1955-56 ...	2299.78	1233.48	—	—	—	—	38.60	13.00	—	—
1956-57 ...	3190.61	2058.47	43.00	19.80	—	—	39.25	12.00	—	—
1957-58 ...	5022.51	3092.59	29.20	8.00	49.28	49.28	213.20	—	99.00	—
1958-59 ...	6755.55	4256.32	48.00	24.00	173.99	168.63	182.30	—	100.00	—

(a) Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets.

(b) With effect from November 15, 1951. Prior to this date, the rate of interest was 1½ per cent below the Bank rate.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 28

### AND CO-OPERATIVE CREDIT(u)

(Rupees in lakhs)

Medium-term loans to State Co-operative Banks for agricultural purposes [17(4A)] at 2 per cent below Bank rate before National Agricultural Credit (Long-term Operations) Fund was constituted		National Agricultural Credit (Long-term Operations) Fund								Purchase of ordinary debentures
		Medium-term loans to State Co-operative Banks for agricultural purposes [ 17(4A) read with 64A(2)(b)] at 2 per cent below Bank rate	Long-term loans to						Purchase of rural debentures [ 17(4A) read with 46A(2)(d)]	
			State Governments for contribution to the share capital of co-operative credit societies [ 17(4A) read with 46A(2)(a) ]	Central Land Mortgage Banks [ 17(4A) read with 46A(2) (c) ]						
Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount	Amount	
11	12	13	14	15	16	17	18	19	20	
—	—	—	—	—	—	—	—	—	12.00	
—	—	—	—	—	—	—	—	—	13.00	
—	—	—	—	—	—	—	—	—	22.89	
—	—	—	—	—	—	—	—	—	14.50	
19.89	19.89	—	—	—	—	—	—	—	7.06	
30.75	40.52	10.59	10.59	—	—	—	—	—	9.50	
3.44	24.62	118.77	113.31	160.45	160.45	—	—	—	1.50	
—	9.21	298.68	352.22	583.40	743.85	—	—	—	12.94	
—	—	268.44	494.84	574.48	1318.33	—	—	26.88	3.59	

## STATEMENT 29

## CHEQUE CLEARANCES (ANNUAL AND MONTHLY)

	Total		Bargalore		Bombay		Calcutta		Kanpur		Madras		Nagpur		New Delhi		Other Centres (a)	
	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber	Num-Amount	ber
1950-51	21,78	553,18	58	5,91	8,09	239,79	5,41	198,86	53	11,35	2,64	36,01	21	2,34	56	4,10	3,76	54,82
1955-56	31,00	663,02	78	8,82	11,23	255,94	6,88	251,17	76	12,44	3,51	35,55	30	4,05	1,06	10,93	6,49	84,13
1956-57	33,34	727,03	87	10,31	12,33	276,06	7,17	266,46	75	13,89	3,54	42,73	33	5,16	1,30	20,60	7,06	91,83
1957-58	31,73	746,23	93	11,70	12,64	255,70	7,09	257,70	79	15,21	3,61	42,92	33	4,75	1,46	27,18	7,88	101,08
1958-59	37,61	813,93	1,03	14,40	13,41	310,36	7,22	275,53	81	14,69	3,77	44,07	34	4,99	1,65	30,96	9,13	118,92
April 1958	38,34	791,58	1,04	14,75	13,90	296,96	7,51	263,12	90	17,57	3,77	44,28	36	4,98	1,61	28,52	9,24	121,41
May	38,32	791,23	97	13,55	13,93	315,17	7,43	254,73	92	17,30	3,65	39,90	34	4,43	1,63	25,61	9,45	120,55
June	32,93	662,92	85	11,73	11,66	242,44	6,49	230,50	71	12,53	3,27	36,68	29	4,58	1,33	24,27	8,14	100,20
July	38,36	834,13	1,07	15,14	13,45	320,40	7,52	282,92	78	16,62	4,05	45,31	34	5,67	1,63	28,86	9,51	119,20
August	34,51	754,00	96	13,43	12,31	302,95	6,97	255,34	66	11,75	3,26	37,98	31	4,05	1,58	25,30	8,46	103,20
September	35,57	805,88	1,03	12,68	12,15	291,58	7,03	298,90	70	12,26	3,89	49,09	30	4,31	1,62	27,78	8,85	109,29
October	29,35	798,53	1,04	14,02	15,03	298,47	7,07	280,89	72	12,12	4,02	43,28	31	4,65	1,73	31,18	9,42	113,92
November	35,28	773,01	99	13,52	12,45	287,02	6,73	270,95	70	12,86	3,61	41,51	32	4,56	1,61	36,49	8,87	106,09
December	40,35	887,34	1,06	14,26	14,31	337,29	7,64	307,04	94	15,90	3,98	47,80	38	5,67	1,74	31,42	10,29	127,95
January 1959	40,72	894,45	1,13	15,29	14,53	366,23	7,68	277,46	94	16,84	3,90	44,92	37	5,83	1,81	34,98	10,46	132,91
February	38,21	828,47	1,04	14,14	13,51	320,92	7,20	266,65	86	15,30	3,80	45,08	36	5,64	1,66	32,91	9,79	127,83
March	40,30	945,59	1,15	20,28	14,03	344,93	7,41	317,85	86	15,18	4,04	53,08	38	5,55	1,81	44,24	10,62	144,48

Note.—Annual figures are averages of monthly figures.

(a) Agra, Ahmedabad, Allahabad, Alleppey, Amritsar, Bareilly (from April 1951), Cochin (from March 1954), Coimbatore, Dehra Dun, Delhi, Gaya, Gorakhpur (from July 1955), Guntur (from March 1958), Hyderabad, Jaipur (from April 1952), Jullundur City, Kozhikode, Kumbakonam (from May 1958), Lucknow, Madurai, Mangalore, Muzaffarpur, Patna, Poona, Quilon (from February 1958), Raikot, Singli (from February 1957), Simla, Surat (from August 1958), Tiruchirapalli (from June 1958), Trivandrum (from August 1958), Varanasi (from May 1958) and Vijayawada (from May 1955).

# STATEMENT 30

## DEBITS TO CURRENT DEPOSIT ACCOUNTS WITH SCHEDULED BANKS(a)

REPORT ON CURRENCY AND FINANCE, 1958-59													
(Amount in lakhs of rupees)													
	Number of reporting banks/offices (as at the close of)		Current Deposits (b)(c)		Debits to Current deposit accounts during the year/ month (d)		Total of approved cash credit limits (e)(c)	Total credit outstanding (c)	Rate of turnover of Current Deposits (f)				
	Banks	Offices	Of business and individuals	Total	Of business and individuals	Total			Of business and in- dividuals	Overall rate			
	1	2	3	4	5	6	7	8	9	10			
1950-51	...	912	333.68	367.44	12,014.79	12,472.30	504.68(g)	345.69	36.1	33.9			
1951-52	...	1,084	340.12	377.40	15,211.56	15,724.45	519.27	441.21	44.7	41.7			
1952-53	...	1,087	315.20	347.16	13,229.30	13,788.02	523.97	436.17	42.0	39.7			
1953-54	...	1,090	306.56	330.34	13,378.13	13,889.91	519.28	416.60	43.6	42.0			
1954-55	...	1,112	323.76	348.30	15,104.54	15,579.24	547.70	457.93	46.7	44.7			
1955-56	...	1,118	347.30	374.05	16,285.02	16,823.83	609.65	515.12	46.9	45.0			
1956-57	...	1,102	362.98	400.58	17,655.52	18,370.84	685.86	634.83	48.6	45.0			
1957-58	...	1,213	369.09	430.70	18,511.45	19,517.74	829.20	790.55	50.2	45.3			
1958-59	...	1,184	346.02	408.70	19,378.91	20,581.47	1,114.51	700.75	50.0	50.4			
1958-59 (Monthly)													
April	1958	...	359.33	427.03	1,639.84	1,729.92	1,112.81	723.78	54.8	48.6			
May	"	...	352.03	416.36	1,596.23	1,694.76	1,105.00	711.44	51.4	48.8			
June	"	...	353.72	420.30	1,545.93	1,623.57	1,097.96	708.78	52.4	46.3			
July	"	...	363.46	429.36	1,715.16	1,855.84	1,116.32	705.26	50.6	51.9			
August	"	...	356.88	429.53	1,472.75	1,588.25	1,115.34	695.45	49.5	44.4			
September	"	...	355.05	420.77	1,587.51	1,683.65	1,107.64	676.39	53.7	48.0			
October	"	...	328.28	391.15	1,588.59	1,703.99	1,110.19	677.46	53.1	52.3			
November	"	...	329.38	386.43	1,487.21	1,589.90	1,094.33	667.49	54.2	49.1			
December	"	...	340.30	393.85	1,808.51	1,889.58	1,110.90	685.25	63.8	57.6			
January	1959	...	319.99	375.79	1,708.95	1,807.16	1,087.23	673.80	61.1	57.7			
February	"	...	340.05	398.77	1,531.49	1,617.13	1,125.71	729.98	51.0	48.7			
March	"	...	353.76	414.51	1,696.74	1,806.72	1,190.17	752.44	57.6	52.3			

(a) Relates only to offices operating in towns with a population of one lakh and over. (b) Include credit balances in cash credits.  
(c) Annual figures are averages of monthly figures. (d) Include debits to cash credits and overdrafts.  
(e) From December 1957 these include loans and bills. (f) Debits to current accounts during the year (or month) divided by the monthly average of (or month-end) current deposits; monthly rates are expressed on an annual basis.  
(g) Average for three months.





	1959	...	1,708.95	30.20	11.57	660.76	35.07	21.60	113.20	29.18	93	21.16	9.44	70.35	580.52	1.00	123.96
January	...	...	1,531.49	32.29	7.97	536.04	26.84	19.55	109.18	38.59	1.38	15.80	11.55	57.99	536.34	76	87.21
February	"	...	1,696.74	34.17	8.76	655.73	27.74	20.30	121.56	34.94	1.57	20.46	10.38	64.32	574.07	96	121.78
March	"	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
ANNUAL RATE OF TURNOVER(d)																	
1957-58	...	...	50.2	53.6	30.6	49.9	51.2	56.0	57.2	45.3	19.1	39.8	39.1	45.5	63.8	18.2	25.5
1958-59	...	...	56.0	57.8	33.4	53.2	68.9	53.7	61.7	46.3	17.4	46.5	53.4	55.1	70.9	16.5	33.8
April	1958	...	54.8	64.3	38.7	52.1	64.5	60.6	62.1	48.0	18.6	47.6	63.8	53.7	62.0	10.7	44.3
May	"	...	54.4	62.0	42.0	50.8	59.9	59.8	58.4	46.2	21.5	44.7	51.9	56.2	64.7	13.3	40.7
June	"	...	52.4	53.3	35.2	45.8	57.8	60.7	52.6	47.2	12.0	39.6	33.2	42.1	70.5	11.8	45.0
July	"	...	56.6	55.0	39.0	49.8	68.0	62.3	66.0	46.4	25.4	46.1	67.4	59.3	72.9	11.4	40.9
August	"	...	49.5	42.6	32.4	46.2	56.9	44.2	57.1	34.4	11.6	41.9	49.3	45.2	63.2	12.6	32.9
September	"	...	53.7	50.6	30.9	48.4	61.3	43.9	64.7	40.6	13.1	47.7	45.5	48.7	73.9	16.8	27.9
October	"	...	53.1	53.0	37.1	57.6	60.0	47.5	58.5	40.5	13.4	47.7	62.3	52.4	70.4	14.9	40.2
November	"	...	54.2	58.8	33.5	50.9	67.7	47.1	57.8	38.1	11.0	44.5	47.4	50.1	74.4	14.1	27.6
December	"	...	63.8	49.8	28.5	63.9	80.2	53.4	62.4	45.3	17.0	57.8	56.1	61.8	84.9	61.7	38.0
January	1959	...	64.1	74.6	24.8	62.1	104.2	62.0	66.7	61.3	15.3	52.4	66.6	73.9	73.7	11.8	44.6
February	"	...	54.0	69.1	25.5	54.6	72.2	56.8	65.0	61.2	33.1	40.5	57.5	68.2	69.1	9.1	19.5
March	"	...	57.6	67.3	20.9	60.6	86.7	48.0	68.7	52.4	23.6	40.9	52.3	60.3	73.4	9.6	24.9

(a) Relates only to centres with a population of more than one lakh.

(b) Include credit balances in cash credits but exclude accounts of Government and quasi-Government bodies. Annual figures are averages of month-end deposits while monthly figures are outstandings at the end of the period.

(c) Include debits to cash credits and overdrafts.

(d) Debits to current accounts during the year (or month) divided by the monthly average of (or month-end) current deposits. Monthly rates are expressed on an annual basis.

# STATEMENT 32

## RATES OF THE RESERVE BANK OF INDIA AND THE STATE BANK OF INDIA

	Reserve Bank of India				State Bank of India (a) (i)						(Per cent per annum)	
	Bank Rate (b)	Rate of interest for advances against Government Securities	Rate of interest for advances against Usance bills and Promissory Notes	Concessional rate to Co-operatives (c)	Treasury Bill Rate (Average)	Call Loan Rate (d)			Hundi Rate (e)		Advances Rate (f)	
						Rs. 5 lakhs and over		Below Rs. 5 lakhs	Lowest	Highest	Lowest	Highest
						High-est	Low-est					
1955-56	.. 3	3		1½		3 (Mar.)	2½ (Mar.)	3½ (Mar.)	3	4 (Apr.-Mar.)	3½ (Jan.)	
1955-56	.. 3½	3½	3-3½ (3½ from March 1, 1956)	1½	2.52	3½	3½	3½		5 (Mar.)	4½ (Apr.-Mar.)	4
1956-57	.. 3½	3½	3½ (Apr.-Jan.) (Apr.-Nov. 21)	1½		4 (Feb.-Mar.)	3½ (Apr.-Mar.)	5½ (Feb.-Mar.)	5½	5 (Apr.-Mar.)	4½ (Feb.-Mar.)	4
1957-58	.. 3½ (Apr.-May 15)	4	3½ (i) (Apr.-May 15)	1½		4	3½	5½ (May 16.-Mar.)	5½	5 (Apr.-Mar.)	4½ (Apr.-Mar.)	4
1958-59	.. 4 (May 16.-Mar.)	4	4 (i) (May 16.-Mar.)	2		4	4½	5½ (Apr.-Mar.)	5½	5½ (Apr.-Mar.)	4½ (Apr.-Mar.)	4½

# REPORT ON CURRENCY AND FINANCE, 1958-59

April 1958 ..	4	4	4	2	4	4½	5½	4½
May ..	4	4	4	2	4	4½	5½	4½
June ..	4	4	4	2	4	4½	5½	4½
July ..	4	4	4	2	4	4½	5½	4½
Aug. ..	4	4	4	2	2.57	4½	5½	4½
Sept. ..	4	4	4	2	2.52	4½	5½	4½
Oct. ..	4	4	4	2	2.51	4½	5½—5½(g)	4½
Nov. ..	4	4	4	2	2.45	4½	5½	4½
Dec. ..	4	4	4	2	2.43	4½	5½	4½
Jan. 1959 ..	4	4	4	2	2.48	4½	5½	4½
Feb. ..	4	4	4	2	2.56	4½	5½	4½
Mar. ..	4	4	4	2	2.70	4½	5½	4½

(a) The rates relate to Bombay, Calcutta and Madras.

(b) The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India Act.

(c) Concessional rate of interest on advances to State co-operative banks for agricultural purposes.

(d) The basic advances rate of the State Bank for demand loans taken by scheduled banks against Government securities.

(e) The rate at which the State Bank discounts first class three months commercial bills.

(f) The general advances rate at which the State Bank grants advances to the public against Government securities.

(g) Effective from October 27, 1958.

(h) Figures prior to July 1, 1955 relate to the Imperial Bank of India.

(i) The effective borrowing rate including the stamp duty on usance bills was 4 per cent from February 8, 1957 to May 15, 1957 and 4.2 per cent thereafter.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 33

### MONEY RATES IN BOMBAY, CALCUTTA AND MADRAS

(Per cent per annum)

		Call Money Rate(a)							
		Bombay				Calcutta		Madras	
		Larger Banks (b)		Smaller Banks					
		Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	..	1½ Jan.-Mar.	½ June-Jan.	1½ Feb.-Mar.	1 June-Dec.	½		½	1½
1955-56	..	3½ March	1½ Oct. & Nov.	3½ March	1½ Oct. & Nov.	4½ March	2½ August	3½ Dec. & Jan-March	2½ July-Aug.
1956-57	..	3½ Dec. & Feb.	3 Apr.-Aug.	3½ Dec., Feb. & Mar.	3 Apr.-Aug.	4½ Feb.	3½ Dec.	4½ Feb.	3½ Apr.-Oct. & Dec.
1957-58	..	2½	-4½			2½-5½		3 -4½/16	
1958-59	Apr-Sept	2	-4½/16			2-4½		2½-3½/16	
	Oct-Mar	1	-3½			1-4		1½-4	
April	1958	..	3 -4 ½/16			3½-4½		3½-3½/16	
May	"	..	3 -4 7/16			3½-4½		3½-3½/16	
June	"	..	3 -4½			3½-4½		3 -3½	
July	"	..	2½ -4½			3½-4½		3 -3½/16	
August	"	..	2½/16 -3½			2 -4½		2½-3½	
September	"	..	2 -3½			2 -4½		2½-3	
October	"	..	(d)			2½		2½-2½	
November	"	..	1 -3			1 -2½		1½-2½	
December	"	..	1 -3			2 -3½		2 -3½	
January	1959	..	3½ -3½			3½-3½		3½-4	
February	"	..	3½ -3½			3½		3½-4	
March	"	..	3½			3½-4		3½-4	

(a) Rates on borrowings which are repayable on call at the option of the lender. From December 1956, rates relate to those quoted by Selected Scheduled Banks and are inclusive of brokerage while earlier figures are based on data obtained from the State Bank of India and Brokers' and Exchange Banks' Associations. Figures from October 1958 are exclusive of brokerage.

(b) Including foreign banks

(c) These figures, available only from December 1956, provide a range of interest rates for various types of deposits quoted by selected Scheduled Banks for the largest amount accepted during the period, except in the case of Bazaar Bill Rates, these rates include brokerage upto September 1958 and are exclusive of brokerage thereafter. Source: State Bank of India and Selected Scheduled Banks. Earlier figures are based on data obtained from the State Bank of India, and Brokers' and Exchange Banks' Associations.

(d) No transactions.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 33— (Contd.)

(Per cent per annum)

		Deposit Rates					
		3 Months					
		Bombay		Calcutta		Madras	
		Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	..	2½ Jan.-Mar.	1 June-Nov.	½ July-Mar.	½ Apr.-June.		½
1955-56	..	3½ March	2½ August	2½ March	2 Apr.-Mar.		2½
1956-57	..	4½ Feb.-Mar.	3 August	3 Oct.-Mar.	2½ Apr.-Sept.	3 Oct.-Mar.	2½ Apr.-Sept.
1957-58(c)	..	2½-4½/10		1½-4½		1½-5	
1958-59	Apr-Sept Oct-Mar	2½-4½/10 2½-4		1½-4½ 1½-4		1½-5 1½-4	
April	1958 ..	3 -4½/10		1½-4½		3 -4½	
May	.. ..	3 -4½/10		1½-4½		3 -5	
June	.. ..	2½-4½/10		3 -4½		1½-4½	
July	.. ..	2½-4½/10		1½-4½		1½-4½	
August	.. ..	2½-4 7/10		1½-4½		2½-4½	
September	.. ..	2½-4 5/10		1½-4½		2 -4½	
October	.. ..	2½-4		1½-4		1½-4	
November	.. ..	2½-4		1½-4		2½-4	
December	.. ..	2½-4		1½-4		1½-4	
January	1959 ..	2½-4		1½-4		1½-4	
February	.. ..	3-4		1½-3½		2½-4	
March	.. ..	3 -4		2½-4		1½-4	

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 33—(Contd.)

(Per cent per annum)

		Deposit Rates—(Contd.)					
		6 Months					
		Bombay		Calcutta		Madras	
		Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	..	2½ Jan-Mar.	1½ July-Nov.	1 July-Mar.	½ Apr.-June		½
1955-56	..	3½ Mar.	2½ Aug.	2½ Mar.	2 Apr.-Mar.		2½
1956-57	..	4½ Feb. & Mar.	3 Aug.	3 Oct.-Mar.	2½ Apr.-Sept.	3 Oct.-Mar.	2½ Apr.-Sept.
1957-58 (c)	..		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		2 -5
1958-59	Apr-Sept		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		2 -4½
	Oct-Mar		2 -4		2 -4		2 -4
April 1958	..		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		3 -4½
May	..		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		2½-4½
June	..		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		2½-4½
July	..		2 -4 <sup>11</sup> / <sub>16</sub>		2 -4½		2½-4½
August	..		2 -4½		2 -4½		2 -4½
September	..		2 -4 7/16		2 -4½		2 -4½
October	..		2 -4		2 -4		2½-4
November	..		2 -4		2 -3½		2 -4
December	..		2 -4		2 -4		3 -4
January 1959			2 -4		2 -4		2½-4
February	..		2 -4		2 -3½		2 -4
March	..		2 -4		2 -4		3 -4

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 33 — (Contd.)

(Per cent per annum)

			Deposit Rates— (Contd.)		Bazar Bill Rate (c)			
			12 Months Bombay		Bombay		Calcutta	
			Highest	Lowest	Highest	Lowest	Highest	Lowest
1950-51	..		2 Apr., May Feb. & Mar.	1½ June-Jan.	9 Jan.-Mar.	8½ Apr.-Jan.	10-12	
1955-56	..		3½ Mar.	2½ June-Sept. & Nov.	10½ Mar.	9½ Apr.-Mar.	10-12	
1956-57	..		4 Feb. & Mar.	2½ Apr.-June	11½ Feb. 8-Mar.	9 Sept.-Oct.	11-12 Feb. 4-Mar.	10-12 Apr.-Feb. 3
1957-58 (c)			2½-4½		11½ Apr. July & Oct.-Mar.	9½ July-Oct. & Feb.-Mar.	12 Apr.-Mar.	11-12 Apr.-May
1958-59	Apr-Sept	2	-4½					
	Oct-Mar	2½	-4			8½-10½		9-11½
April	1958	..	2½-4½			9½-10½		9½-11½
May	"	..	2½-4½			9-10½		9½-11½
June	"	..	2½-4½			9-9½		9½-11½
July	"	..	2½-4½			9-9½		9½-11½
August	"	..	2-4¾/16			9-9½		9½-11½
September	"	..	2½-4¾/16			8½-9½		9½-11½
October	"	..	2½-3½			8½-9½		9-11½
November	"	..	2½-3½			9-9½		9-10
December	"	..	2½-4			9-9½		9-10
January	1959	..	2½-4			9-9½		9-10
February	"	..	2½-4			9-9½		9-10
March	"	..	2½-4			9-9½		9-10

(c) Rate at which bills of small traders are reported to have been discounted by Shroffs. These are unofficial quotations.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF

LIABILITIES										(Issue and Banking)
										Total
										Liabili-
										ties (c) or
										Assets

Note : For footnotes see end of this statement.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 34

### THE RESERVE BANK OF INDIA

Departments Combined)

#### ASSETS

(Lakhs of Rupees)

Gold Coin and Bullion(d)	Foreign Assets(e)	Rupce Coin(f)	Notes	Rupce Securities	Loans and Advances to Governments (g)	Other Loans and Advances	Bills Purchased and Discounted	Other Assets	
9	10	11	12	13	14	15	16	17	
40.02	832.40	57.33	17.19	535.19	2.37	6.77	3.05	5.06	1
40.02	723.48	107.00	17.08	662.42	1.73	36.99	9.78	15.61	2
40.02									
117.76	610.38	116.09	18.75	807.04	4.89	85.34	5.69	13.60	3
117.76	370.12	130.18	23.18	1,188.98	32.90	77.91	4.81	14.32	4
117.76	207.61	134.06	19.34	1,463.91	28.23	65.83	6.18	11.73	5
40.02	884.18	54.51	11.72	585.83	1.56	16.75	8.21	9.50	6
40.02	746.13	103.31	11.77	726.01	—	79.94	12.23	17.77	7
117.76	526.83	122.79	11.77	1,006.20	7.65	127.87	2.98	13.61	8
117.76	267.00	129.42	10.21	1,409.55	21.23	78.40	7.68	14.08	9
117.76	213.06	130.16	15.60	1,542.96	24.77	113.44	5.18	12.05	10
117.76	284.41	127.64	7.94	1,384.34	37.63	73.92	12.72	14.19	11
117.76	277.89	131.47	13.18	1,392.17	46.59	55.53	25.91	14.29	12
117.76	269.88	131.70	23.87	1,405.05	51.17	54.37	20.44	13.54	13
117.76	267.81	132.14	32.94	1,400.77	54.72	54.69	17.38	13.60	14
117.76	262.73	130.79	21.16	1,412.17	53.11	57.02	14.17	13.85	15
117.76	258.47	129.31	9.36	1,452.43	57.53	55.95	4.00	13.94	16
117.76	252.51	129.55	24.65	1,409.66	59.80	69.33	3.64	13.67	17
117.76	248.08	130.23	26.48	1,409.26	60.83	59.52	1.80	13.73	18
117.76	242.42	130.73	27.87	1,407.99	54.07	56.79	69	14.03	19
117.76	239.58	128.76	15.11	1,421.00	53.98	57.77	1.11	14.10	20
117.76	233.29	129.13	19.01	1,430.01	50.33	56.80	1.83	14.14	21
117.76	227.09	130.54	38.51	1,434.72	46.63	55.13	70	14.22	22
117.76	217.71	131.43	39.22	1,460.66	26.66	60.51	69	19.24	23
117.76	210.70	130.64	33.45	1,462.10	31.00	58.78	81	15.14	24
117.76	203.89	131.52	31.05	1,461.09	30.12	57.14	1.10	15.02	25
117.76	200.19	133.40	27.72	1,507.74	19.25	61.68	2.93	13.23	26
117.76	197.20	135.20	25.34	1,492.76	14.76	55.06	2.38	12.53	27
117.76	192.73	135.69	22.41	1,490.42	11.22	55.52	50	11.15	28
117.76	190.13	134.71	12.15	1,486.64	15.19	53.45	2.70	10.42	29
117.76	194.53	135.63	21.52	1,478.28	15.44	51.52	2.68	8.90	30
117.76	189.77	137.29	28.98	1,453.08	12.78	49.89	3.28	8.81	31
117.76	187.22	138.31	23.29	1,443.71	12.90	50.03	3.27	9.00	32

# STATE

## LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF

		LIABILITIES						Assets and Banking	
		Notes in Circulation(a)	Deposits				Other Liabilities(b)	Total Liabilities (c) or Assets	
			Central Govern- ment	Other Govern- ments	Banks	Others			Total
1958		1	2	3	4	5	6	7	8
33 September	5	.. 1,541,70	52,24	14,72	93,44	113,56	273,96	65,25	1,965,91
34 "	12	.. 1,542,45	60,54	11,00	92,16	113,56	277,26	60,98	1,965,69
35 "	19	.. 1,529,73	53,18	20,83	98,18	113,88	286,07	76,69	1,977,50
36 "	26	.. 1,515,98	48,54	26,11	104,60	113,27	292,53	94,77	1,988,27
37 October	3	.. 1,527,70	52,78	17,31	96,49	113,65	280,23	81,89	1,974,82
38 "	10	.. 1,545,16	52,78	18,84	87,89	113,69	273,21	66,34	1,969,71
39 "	17	.. 1,544,80	51,32	36,13	112,97	114,36	314,79	95,23	2,039,81
40 "	24	.. 1,544,70	49,00	31,97	142,05	114,48	337,50	70,79	2,038,00
41 "	31	.. 1,534,44	71,75	32,12	110,68	115,02	329,58	86,73	2,035,75
42 November	7	.. 1,572,56	62,21	19,39	82,84	114,29	278,74	74,78	2,011,07
43 "	14	.. 1,585,92	63,33	18,17	79,88	114,48	275,87	70,06	2,016,86
44 "	21	.. 1,562,69	52,03	24,49	101,94	114,95	293,40	96,59	2,037,67
45 "	28	.. 1,555,18	59,60	24,15	88,17	116,89	288,80	103,37	2,032,35
46 December	5	.. 1,582,23	61,59	12,19	73,02	116,82	263,61	74,58	2,005,41
47 "	12	.. 1,595,63	66,25	9,39	73,45	116,12	265,20	74,45	2,020,28
48 "	19	.. 1,589,06	58,04	18,82	77,92	116,57	271,35	87,43	2,032,83
49 "	26	.. 1,589,42	55,88	17,22	80,92	116,69	270,71	87,59	2,032,73
1959									
50 January	2	.. 1,602,00	52,99	18,52	76,56	118,14	266,21	87,22	2,040,43
51 "	9	.. 1,627,36	66,15	10,88	69,39	116,12	262,54	84,74	2,059,64
52 "	16	.. 1,629,70	52,23	47,14	72,20	115,87	287,44	86,68	2,088,83
53 "	23	.. 1,623,87	55,23	42,00	68,18	115,44	280,85	93,41	2,083,14
54 "	30	.. 1,624,43	57,82	28,56	75,74	115,24	277,36	101,58	2,088,38
55 February	6	.. 1,658,09	50,44	21,79	67,95	115,70	255,88	97,46	2,096,44
56 "	13	.. 1,668,14	65,82	21,99	72,43	114,93	275,17	92,88	2,121,19
57 "	20	.. 1,659,49	61,44	19,31	71,42	114,77	266,95	105,50	2,116,95
58 "	27	.. 1,654,64	56,78	24,42	76,55	115,66	273,42	112,21	2,125,26
59 March	6	.. 1,688,58	52,04	18,32	65,60	115,85	251,81	98,17	2,123,56
60 "	13	.. 1,695,78	66,23	17,07	67,97	115,33	266,61	98,11	2,145,49
61 "	20	.. 1,692,60	51,17	36,01	74,22	120,65	282,06	115,65	2,175,31
62 "	27	.. 1,701,53	53,83	26,72	67,57	119,07	267,19	121,27	2,174,98

(a) Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

(b) Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957 and Rs. 25 crores from July 4, 1958 and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957 and Rs. 3 crores from July 4, 1958.

(c) Including (i) paid-up capital of Rs. 5 crores and (ii) reserve fund of Rs. 5 crores upto June 28, 1957 and of Rs. 80 crores from July 5, 1957.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 34—(Contd.)

### THE RESERVE BANK OF INDIA

Departments Combined)

#### ASSETS

(Lakhs of Rupees)

Gold Coin and Bullion(d)	Foreign Assets(e)	Rupee Coin(f)	Notes	Rupee Securities	Loans and Advances to Governments(g)	Other Loans and Advances	Bills Purchased and Discounted	Other Assets	
9	10	11	12	13	14	15	16	17	
117,76	183,37	136,56	11,63	1,435,32	14,43	53,51	4,28	9,03	33
117,76	184,36	137,18	11,49	1,432,15	17,44	50,54	5,75	9,02	34
117,76	184,98	138,59	25,61	1,430,45	13,08	54,69	3,28	9,05	35
117,76	183,88	140,02	40,80	1,430,08	13,67	51,74	1,15	9,16	36
117,76	183,06	139,31	28,37	1,428,67	14,50	51,83	1,82	9,50	37
117,76	182,27	138,49	10,08	1,432,76	20,09	52,10	6,62	9,54	38
117,76	179,75	138,86	10,81	1,509,67	15,90	53,02	4,39	9,65	39
117,76	179,42	139,23	11,27	1,511,23	16,25	53,06	10	9,68	40
117,76	178,43	140,08	22,71	1,496,49	16,87	53,35	12	9,93	41
117,76	178,90	137,09	11,63	1,475,93	20,36	56,74	2,58	10,09	42
117,76	183,00	136,16	7,32	1,477,25	22,25	58,28	4,69	10,15	43
117,76	181,52	137,42	31,84	1,478,60	20,80	54,30	5,21	10,22	44
117,76	180,63	138,31	40,24	1,467,17	21,93	54,38	4,42	10,51	45
117,76	183,01	136,16	11,04	1,463,28	24,97	54,70	3,94	10,56	46
117,76	184,63	135,87	7,35	1,464,99	25,73	63,83	9,52	10,60	47
117,76	188,65	136,42	14,49	1,464,40	22,56	65,90	11,98	10,68	48
117,76	188,85	136,66	14,39	1,461,82	23,97	65,37	12,83	11,08	49
117,76	189,20	135,93	11,08	1,460,46	25,25	77,43	12,25	11,07	50
117,76	191,71	134,18	8,97	1,459,36	31,94	89,99	14,63	11,10	51
117,76	197,27	134,07	6,54	1,488,58	24,40	94,94	14,12	11,15	52
117,76	198,03	134,67	12,99	1,488,16	23,94	84,70	11,72	11,17	53
117,76	191,43	134,96	12,70	1,488,50	26,94	93,86	10,72	11,52	54
117,76	190,69	132,23	11,30	1,508,35	27,90	90,31	6,37	11,54	55
117,76	206,13	131,82	10,84	1,511,23	27,79	96,82	7,20	11,60	56
117,76	211,47	132,34	20,01	1,511,49	21,90	84,38	5,94	11,65	57
117,76	210,96	132,71	25,24	1,512,82	22,49	86,13	5,22	11,94	58
117,76	210,87	129,77	8,34	1,527,16	23,40	90,05	4,26	11,95	59
117,76	211,27	129,63	10,97	1,526,92	26,29	100,30	10,39	11,97	60
117,76	216,76	130,23	14,70	1,541,04	20,69	113,03	9,05	12,04	61
117,76	213,06	130,16	15,60	1,54,296	24,77	113,44	5,18	12,05	62

(d) Valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.

(e) Including cash and short-term securities.

(f) Including one rupee notes and subsidiary coin.

(g) Including temporary overdrafts to State Governments from August 23, 1957.

# STATEMENT 35

## RESERVE BANK OF INDIA : ISSUE DEPARTMENT

### STATEMENT OF ASSETS AND LIABILITIES (ANNUAL AND WEEKLY)

STATEMENT OF ASSETS AND LIABILITIES (MONTHLY AND WEEKLY)								(Lakhs of Rupees)
Average of Friday figures	LIABILITIES			ASSETS				Rupee Securities
	Notes in Circulation(a)	Notes held in the Banking Department	Total Liabilities (Total Notes Issued)(a) or Assets	Gold Coin and Bullion(b)	Foreign Securities	Rupee Coin(c)	Rupee Securities	
1950-51	1,163.21	17.19	1,180.40	40.02	624.70	57.21	458.47	7
1955-56	1,339.39	17.08	1,356.47	40.02	656.52	106.87	553.06	
1956-57	1,475.77	18.75	1,494.52	40.02	545.61	115.93	755.22	
1957-58	1,529.36	23.18	1,552.53	117.76	329.65	130.06	975.06	
1958-59	1,593.88	19.34	1,613.21	117.76	182.04	133.99	1,179.42	
As at the close of last Friday								
1950-51	1,247.41	11.72	1,259.13	40.02	678.15	54.34	486.63	
1955-56	1,466.64	11.77	1,478.41	40.02	656.42	103.16	678.82	
1956-57	1,526.09	11.77	1,537.86	117.76	412.52	122.61	884.97	
1957-58	1,579.13	10.21	1,589.35	117.76	171.19	129.29	1,171.10	
1958-59	1,701.53	15.60	1,717.12	117.76	178.01	130.09	1,291.26	
1958-59 (weekly)								
As at the close of 1958								
April	1,619.69	7.94	1,627.63	117.76	216.07	127.57	1,166.23	
" 11	1,638.21	13.18	1,651.39	117.76	226.07	131.34	1,176.23	
" 18	1,627.77	23.87	1,651.64	117.76	227.39	131.58	1,174.91	
" 25	1,619.13	32.94	1,652.07	117.76	228.80	132.01	1,173.50	
May	1,619.62	21.16	1,640.78	117.76	204.71	130.73	1,187.59	
" 2	1,629.96	9.36	1,639.31	117.76	184.83	129.25	1,207.47	
" 9	1,614.83	24.65	1,639.48	117.76	209.68	129.42	1,182.62	
" 16	1,598.69	26.48	1,625.17	117.76	209.68	130.11	1,167.62	
" 23	1,587.78	27.87	1,615.66	117.76	209.68	130.60	1,157.62	
" 30	1,608.59	15.11	1,623.70	117.76	209.68	128.70	1,167.56	
June	1,604.98	19.01	1,623.99	117.76	209.68	129.00	1,167.56	
" 13	1,586.91	38.51	1,625.42	117.76	209.68	130.43	1,167.56	
" 20	1,577.10	39.22	1,616.32	117.76	199.68	131.32	1,167.56	
" 27	1,584.18	33.45	1,617.63	117.76	199.68	130.61	1,169.59	
July	1,577.44	31.05	1,608.49	117.76	189.68	131.47	1,169.59	
" 11	1,557.66	27.72	1,585.38	117.76	189.68	133.36	1,144.59	
" 18	1,541.83	25.34	1,567.17	117.76	184.68	135.15	1,129.59	
" 25								

# REPORT ON CURRENCY AND FINANCE, 1958-59

August	1	1,539.91	22.41	1,562.32	117.76	179.68	135.62	1,129.26
"	8	1,539.16	12.15	1,571.32	117.76	179.68	134.65	1,139.23
"	15	1,550.72	21.52	1,572.24	117.76	179.68	135.57	1,139.23
"	22	1,530.01	28.98	1,558.99	117.76	179.68	137.23	1,124.32
"	29	1,521.80	23.29	1,545.09	117.76	174.68	138.27	1,114.39
September	5	1,541.70	11.63	1,553.33	117.76	169.68	136.51	1,129.39
"	12	1,542.45	11.49	1,553.94	117.76	169.68	137.12	1,129.38
"	19	1,529.73	25.61	1,555.34	117.76	169.68	138.52	1,129.38
"	26	1,515.98	40.80	1,556.78	117.76	169.68	139.97	1,129.37
October	3	1,527.70	28.37	1,556.07	117.76	169.68	139.26	1,129.37
"	10	1,545.16	10.08	1,555.25	117.76	169.68	138.44	1,129.37
"	17	1,544.80	10.81	1,555.61	117.76	164.68	138.80	1,134.37
"	24	1,544.70	11.27	1,555.97	117.76	164.68	139.17	1,134.36
"	31	1,534.44	22.71	1,557.15	117.76	164.68	140.01	1,134.70
November	7	1,572.56	11.63	1,584.18	117.76	164.68	137.02	1,164.73
"	14	1,585.92	7.32	1,593.25	117.76	164.68	136.08	1,174.73
"	21	1,562.69	31.84	1,594.52	117.76	164.68	137.36	1,174.73
"	28	1,555.18	40.24	1,595.42	117.76	164.68	138.26	1,174.73
December	5	1,582.23	11.04	1,593.27	117.76	164.68	136.10	1,174.73
"	12	1,595.63	7.35	1,602.99	117.76	164.68	135.81	1,184.74
"	19	1,589.06	14.49	1,603.55	117.76	164.68	136.36	1,184.76
"	26	1,589.42	14.39	1,603.81	117.76	164.68	136.59	1,184.79
1959								
January	2	1,602.00	11.08	1,613.07	117.76	164.68	135.85	1,194.79
"	9	1,627.36	8.97	1,636.33	117.76	164.68	134.10	1,219.79
"	16	1,629.70	6.54	1,636.24	117.76	164.68	134.00	1,219.80
"	23	1,623.87	12.99	1,636.86	117.76	164.68	134.62	1,219.81
"	30	1,624.43	12.70	1,637.13	117.76	164.68	134.90	1,219.79
February	6	1,658.09	11.30	1,669.39	117.76	164.68	132.17	1,254.78
"	13	1,668.14	10.84	1,678.98	117.76	178.01	131.76	1,251.45
"	20	1,659.49	20.01	1,679.50	117.76	178.01	132.28	1,251.45
"	27	1,654.64	25.24	1,679.87	117.76	178.01	132.65	1,251.45
March	6	1,688.58	8.34	1,696.92	117.76	178.01	129.70	1,271.45
"	13	1,695.78	10.97	1,706.75	117.76	178.01	129.55	1,281.42
"	20	1,692.60	14.70	1,707.30	117.76	178.01	130.17	1,281.36
"	27	1,701.53	15.60	1,717.12	117.76	178.01	130.09	1,291.26

(a) Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

(b) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter.

(c) Including Government of India one rupee notes issued from July 1940.

# STATEMENT 36

## RESERVE BANK OF INDIA : BANKING DEPARTMENT

### STATEMENT OF ASSETS AND LIABILITIES (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

	LIABILITIES							ASSETS						
	Deposits					Total Liabilities (a) or Assets	Notes and Balances held abroad (c)	Loans and Advances to Governments (d)	Other Loans and Advances	Bills Purchased and Discounted	Investments	Other Assets		
	Central Government	Other Government	Banks	Others	Total									
Average of Friday figures	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1950-51	148.60	17.71	62.22	62.29	290.82	18.14	318.97	17.31	207.70	2.37	6.77	3.05	76.72	5.06
1955-56	60.11	19.85	53.77	18.31	152.04	35.59	197.64	17.21	66.96	1.73	36.99	9.78	49.36	15.61
1956-57	57.52	14.10	52.46	19.73	143.81	91.21	245.02	18.91	64.77	4.89	85.34	5.69	51.82	13.60
1957-58	54.61	11.28	81.00	111.38	258.27	83.11	407.63	23.30	40.47	32.90	77.91	4.81	213.92	14.32
1958-59	57.62	20.80	87.53	118.73	284.67	71.77	441.44	19.41	25.57	28.23	65.83	6.18	284.49	11.73
As at the close of last Friday														
1950-51	162.04	26.40	59.28	72.31	320.03	23.10	353.13	11.89	206.03	1.56	16.75	8.21	99.20	9.50
1955-56	67.34	62.03	53.24	16.68	199.30	49.46	258.77	11.92	89.72	7.94	79.94	12.23	47.19	17.77
1956-57	64.57	31.95	57.77	74.28	228.56	161.03	399.59	11.95	114.31	7.65	127.87	2.98	121.22	13.61
1957-58	48.33	54.85	67.83	117.52	288.53	92.46	465.99	10.35	95.81	21.23	78.40	7.68	238.44	14.08
1958-59	53.83	26.72	67.57	119.07	267.19	105.67	457.86	15.67	35.05	24.77	113.44	5.18	251.70	12.05
1958-59 (weekly) As at the close of 1958														
April	55.27	7.24	81.06	116.32	259.89	88.03	432.93	8.01	68.34	37.63	73.92	12.72	218.11	14.19
"	49.23	13.63	77.84	116.56	257.27	81.14	423.41	13.31	51.82	46.59	55.53	23.91	215.94	14.29
"	52.45	13.09	90.99	116.73	273.26	77.88	436.14	23.99	42.48	51.17	54.37	20.44	230.14	13.54
"	53.05	15.64	94.14	112.32	275.15	79.59	439.74	33.07	39.01	54.72	54.69	17.38	227.27	13.60
May	49.65	16.12	98.49	111.99	276.25	80.73	441.99	21.23	58.03	53.11	57.02	14.17	224.58	13.85
"	53.29	15.73	111.99	112.42	293.43	80.99	459.42	9.41	73.63	57.53	55.95	4.00	244.96	13.94
"	75.07	13.69	73.88	113.19	275.83	80.27	441.09	24.77	42.84	59.80	69.33	3.64	227.04	13.67
"	23	76.06	16.49	73.14	112.59	79.25	442.53	26.61	38.40	60.83	59.52	1.80	241.64	13.73
"	59.12	19.98	77.80	113.25	270.15	81.55	436.70	28.01	32.75	54.07	56.79	6.69	250.37	14.03
June	50.36	13.91	75.91	113.43	253.61	86.87	425.47	15.17	29.91	53.98	57.77	1.11	253.44	14.10
"	51.42	13.36	81.09	113.17	259.04	84.28	428.32	19.14	23.61	50.33	56.80	1.83	262.45	14.14
"	49.90	13.25	93.68	112.06	270.89	83.99	439.88	38.62	17.42	46.63	55.13	7.0	267.16	14.22
"	58.69	14.17	98.53	112.80	284.19	88.37	457.56	39.32	18.04	26.66	60.51	69	293.10	19.24
July	50.52	21.17	91.78	142.42	305.89	51.87	442.75	33.48	11.02	31.00	58.78	81	292.52	15.14
"	53.26	12.84	98.99	142.18	307.28	47.92	440.20	31.10	14.21	30.12	57.14	1.10	291.51	15.02
"	51.07	41.79	94.46	147.29	334.62	78.90	498.52	27.76	10.51	19.25	61.68	2.93	363.15	12.53
"	70.14	28.66	107.85	143.20	349.86	50.96	485.82	25.39	12.53	14.76	55.06	2.38	363.17	12.53

# REPORT ON CURRENCY AND FINANCE, 1958-59

August	1	60.25	24.40	109.73	142.67	337.04	53.04	475.08	22.48	13.06	11.22	55.52	50	361.15	11.15
"	8	64.79	16.02	94.57	142.87	318.24	48.58	451.82	12.21	10.45	15.19	53.45	2.70	347.41	10.42
"	15	63.59	16.82	95.28	144.65	320.35	48.68	454.02	21.57	14.86	15.44	51.52	2.68	339.05	8.90
"	22	62.69	25.31	106.36	113.38	307.74	49.92	442.65	29.04	10.10	12.78	49.89	3.28	328.73	8.81
"	29	63.06	20.52	101.39	113.45	308.42	46.98	440.40	23.33	12.54	12.90	50.03	3.27	329.33	9.00
September	5	52.24	14.72	93.44	113.56	273.96	53.62	412.58	11.69	13.70	14.43	53.51	4.28	305.94	9.03
"	12	60.54	11.00	92.16	113.56	277.26	49.49	411.75	11.55	14.68	17.44	50.54	5.75	302.77	9.02
"	19	53.18	20.83	98.18	113.88	286.07	51.08	422.16	25.68	15.31	13.08	54.69	3.28	301.07	9.05
"	26	48.54	26.11	104.60	113.27	292.53	53.97	431.49	40.85	14.21	13.67	51.74	1.15	300.71	9.16
October	3	52.78	17.31	96.49	113.65	280.23	53.52	418.75	28.42	13.38	14.50	51.83	1.82	299.30	9.50
"	10	52.78	18.84	87.89	113.69	273.21	56.26	414.46	10.13	12.60	20.09	52.10	6.62	303.38	9.54
"	17	51.32	36.13	112.97	114.36	314.79	84.42	484.20	10.87	15.90	15.90	53.02	4.39	375.30	9.65
"	24	49.00	31.97	142.05	114.48	337.50	59.53	482.03	11.33	14.74	16.25	53.06	10	376.87	9.68
"	31	71.75	32.12	110.68	115.02	329.58	64.02	478.60	22.78	13.75	16.87	53.35	1.2	361.79	9.93
November	7	62.21	19.39	82.84	114.29	278.74	63.15	426.89	11.70	14.22	20.36	56.74	2.58	311.20	10.09
"	14	63.33	18.17	79.88	114.48	275.87	62.74	423.61	7.39	18.33	22.85	58.28	4.69	302.52	10.15
"	21	52.03	24.49	101.94	114.95	293.40	64.75	443.15	31.89	16.85	20.20	54.30	5.21	303.87	10.22
"	28	59.60	24.15	88.17	116.89	288.80	63.12	436.93	40.30	15.95	21.93	54.38	1.42	292.44	10.51
December	5	61.59	12.19	73.02	116.82	263.61	63.54	412.14	11.09	18.34	24.97	54.70	3.94	288.55	10.56
"	12	66.25	9.39	73.45	116.12	265.20	67.09	417.30	7.41	19.95	25.73	63.83	9.52	280.26	10.60
"	19	58.04	18.82	77.92	116.57	271.35	72.93	429.28	14.56	23.97	22.56	65.90	11.98	279.64	10.68
"	26	55.88	17.22	80.92	116.69	270.71	73.21	428.92	14.46	24.17	23.97	65.37	12.83	277.03	11.08
1959															
January	2	52.99	18.52	76.56	118.14	266.21	76.14	427.36	11.16	24.52	25.25	77.43	12.25	265.67	11.07
"	9	66.15	10.88	69.39	116.12	262.54	75.77	423.31	9.05	27.04	31.94	89.99	14.63	239.57	11.10
"	16	52.23	47.14	72.20	115.87	287.44	80.14	452.58	6.61	32.60	24.40	94.94	14.12	268.78	11.15
"	23	55.23	42.00	68.18	115.44	280.85	80.42	446.27	13.04	33.36	23.94	84.70	11.72	268.35	11.17
"	30	57.82	28.56	75.74	115.24	277.36	88.88	451.25	12.75	26.75	26.94	93.86	10.72	268.71	11.52
February	6	50.44	21.79	67.95	115.70	255.88	86.17	427.04	11.36	26.01	27.90	90.31	6.37	253.56	11.54
"	13	65.82	21.99	72.43	114.93	275.17	82.04	442.21	10.89	28.12	27.79	96.82	7.20	259.78	11.60
"	20	61.44	19.31	71.42	114.77	266.95	85.49	437.44	20.07	33.47	21.90	84.38	5.94	260.04	11.65
"	27	56.78	24.42	76.55	115.66	273.42	86.97	445.39	25.29	32.95	22.49	86.13	5.22	261.37	11.94
March	6	52.04	18.32	65.60	115.85	251.81	89.83	426.65	8.40	32.86	23.40	90.05	4.26	255.72	11.95
"	13	66.23	17.07	67.97	115.33	266.61	87.14	438.75	11.05	33.26	26.29	100.30	10.39	245.49	11.97
"	20	51.17	36.01	74.22	120.65	282.06	100.95	468.01	14.76	38.75	20.69	113.03	9.05	259.68	12.04
"	27	53.83	26.72	67.57	119.07	267.19	105.67	457.86	15.67	35.05	24.77	113.44	5.18	251.70	12.05

(a) Including (i) Rs. 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957 and Rs. 25 crores from July 4, 1958, and (ii) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957 and Rs. 3 crores from July 4, 1958.

(b) Including (i) paid up capital of Rs. 5 crores, and (ii) reserve fund of Rs. 5 crores upto June 28, 1957 and of Rs. 80 crores from July 5, 1957.

(c) Including cash and short-term securities. (i) Including temporary overdrafts to State Governments from August 23, 1957.



# STATEMENT 37

## REMITTANCE STATISTICS

### (A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA

Telegraphic Transfers Issued and Paid

Year/Half Year	TOTAL		BOMBAY		CALCUTTA		NEW DELHI		KANPUR		MADRAS		BANGALORE(a)		NAGPUR(b)	
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
1	2		3	4	5	6	7	8	9	10	11	12	13	14	15	16
1950-51	...	791.6	1,018.6	229.1	346.4	325.3	368.9	105.4	84.4	53.3	64.5	78.5	154.4	—	—	—
1955-56	...	1,079.8	1,075.7	192.0	462.7	585.5	240.4	150.8	149.0	43.6	67.2	82.9	145.8	25.1	10.7	—
1956-57	...	1,365.6	1,326.2	237.6	548.8	668.6	360.2	236.8	156.3	66.2	64.2	113.5	133.6	32.2	12.7	10.7c
1957-58	...	1,670.5	1,537.8	227.5	652.4	810.8	418.2	334.6	181.1	66.9	80.5	142.7	141.6	31.5	12.5	56.6
1958-59	...	2,072.2	1,886.6	397.0	767.3	917.1	582.4	414.8	203.9	87.1	71.3	164.2	156.7	41.7	19.8	50.4
April 1957 to September 1957...	774.8	761.7	93.1	344.5	382.0	216.8	153.8	82.8	39.6	35.6	69.2	59.6	15.0	3.7	22.3	18.7
October 1957 to March 1958...	895.7	776.1	134.4	307.9	428.8	201.5	180.8	98.2	27.3	44.9	73.5	82.0	16.6	8.9	34.3	32.8
April 1958 to September 1958...	924.8	863.4	159.3	335.3	394.2	251.3	182.4	83.2	55.2	35.3	81.5	78.7	23.9	10.2	28.5	19.5
October 1958 to March 1959...	1,147.5	1,023.2	237.7	382.0	522.9	331.1	232.4	120.7	32.0	35.9	82.8	78.1	17.8	9.6	21.9	65.9

(a) Opened in July 1953

(b) Opened in September 1956

(c) Seven months ended March 1957

*Note:—Telegraphic Transfers Issued* comprise all transfers of funds by telegram made by the respective office of the Reserve Bank to its other offices, agencies and the treasury agencies. *Telegraphic Transfers Paid* comprise all encashments of telegraphic transfers drawn on the respective office of the Reserve Bank by its other offices, agencies and the treasury agencies. The agencies consist of the *State Bank of India* (the *Imperial Bank of India* prior to July, 1 1955), the *State Bank of Hyderabad* (from April 1, 1953) and the *Bank of Mysore* (from November 1, 1953).

# STATEMENT 37—(Contd.)

## (B) REMITTANCES(a) BETWEEN THE OFFICES OF THE STATE BANK OF INDIA(b)

(B) REMITTANCES(a) BETWEEN THE OFFICES OF THE STATE BANK OF INDIA																									(Crores of Rupees)						
Total Remittances	To Bengal Circle from						To Bombay Circle from						To Madras Circle from						To Delhi Circle from(c)												
	Total Ben- gal Circle (Intra- State)			Total Bom- bay Circle (Intra- State)			Total Ben- gal Circle (Intra- State)			Total Bom- bay Circle (Intra- State)			Total Mad- ras Circle (Intra- State)			Total Ben- gal Circle (Intra- State)			Total Bom- bay Circle (Intra- State)			Total Mad- ras Circle (Intra- State)									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Total Ben- gal Circle (Intra- State)			Total Bom- bay Circle (Intra- State)			Total Mad- ras Circle (Intra- State)			
950-51 ...	1,217.4	477.6	346.2	94.9	36.5	...	446.5	122.1	268.	456.0	...	239.3	31.2	35.4	226.8	...	...	...	...	...	...	...			...			...			
955-56 ...	1,675.9	719.1	548.3	133.2	37.7	...	645.3	217.4	368.6	59.2	...	311.5	50.6	50.3	210.6	...	...	...	...	...	...	...			...			...			
956-57 ...	1,962.3	848.6	646.0	161.8	40.8	...	748.9	243.3	419.7	85.9	...	364.8	50.2	60.6	254.0	...	...	...	...	...	...	...			...			...			
957-58 ...	2,312.4	1,018.4	758.2	210.5	49.7	...	841.9	325.0	416.4	100.5	...	452.1	60.9	73.7	317.5	...	...	...	...	...	...	...			...			...			
958-59 ...	2,597.7	729.4	467.4	109.6	55.5	...	96.9	915.2	141.9	487.7	116.1	169.5	503.1	41.4	78.7	368.6	14.4	450.0	127.1	83.6	15.3	224.0	...			...			...		

Note:—Figures relate to the Indian Union. (a) Telegraphic Transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased. (b) Figures prior to July 1, 1955 relate to the Imperial Bank of India. (c) Opened since January 1, 1958. For earlier years, figures of Delhi Circle are included in Bengal and Bombay Circles.

## STATEMENT 38

## ENCASHMENT OF FOREIGN CIRCLE NOTES(a) 1958-59

(Lakhs of Rupees)

Circle of Issue	Cashed at										Total
	Bombay	Bangalore	Calcutta	New Delhi	Kanpur	Madras	Nagpur				
Bombay	—	5	1,26	77	17	25	8	2,58			
Calcutta	90	(b)	—	17	8	4	1	1,20			
Kanpur	4	(b)	3	5	—	(b)	(b)	12			
Madras	32	1	6	2	1	—	(b)	42			
New Delhi	1,04	2	27	—	4	3	1	1,41			
Karachi	—	—	(b)	—	—	(b)	(b)	(b)			
Lahore	(b)	—	(b)	(b)	(b)	(b)	(b)	(b)			
Rangoon	—	—	—	—	—	—	—	—			
Total	2,31	8	1,62	1,01	30	33	10	5,75			

(a) Relates to registered notes. (b) Less than Rs. 50,000.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 39

### PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1958-59

	As on		Average(a) for					1958-59		Difference of March 1959 over March 1958
	November 14, 1951	May 15, 1957	March 1958	June 1958	September 1958	December 1958	March 1959	Highest	Lowest	
LOANS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Terminables :</b>										
<b>Under 5 years</b>										
3 % 1958(b) ..	99.75	99.65	99.75	99.79				99.90	99.75	
3 % 1959-61 ..	98.37	97.75	99.05	99.13	99.83	99.70	99.70	99.85	99.05	+0.65
2½ % 1960 ..	95.69	96.50	97.51	98.16	99.08	99.00	99.00	99.10	97.60	+1.49
2½ % 1961 ..	93.69	93.50	94.72	95.54	97.09	97.16	97.22	97.25	95.00	+2.50
3½ % 1961 ..		99.50	99.65	99.54	100.18	100.10	100.10	100.20	99.50	+0.45
2½ % 1962 ..	94.44	93.90	94.86	95.40	96.79	96.81	96.90	96.95	95.00	+2.04
3½ % 1962 ..		97.80	97.89	97.96	99.09	99.17	99.15	99.25	97.80	+1.26
3½ % 1963(c) ..				98.80	100.05	100.07	99.97	100.10	98.75	
3 % 1963-65 ..	95.69	94.10	94.28	95.54	96.67	96.83	96.75	96.85	94.60	+2.47
3 % 1964 ..	95.75	94.45	94.30	95.48	96.65	96.88	97.10	97.10	94.45	+2.80
3½ % 1964 ..		98.25	97.90	98.44	99.99	99.90	99.80	100.05	98.10	+1.90
<b>Between 5 and 10 years</b>										
3½ % 1965 ..		98.20	97.66	98.26	99.74	99.80	99.60	99.80	97.70	+1.94
3 % 1966-68 ..	93.94	92.05	92.18	92.92	94.03	94.03	93.85	94.05	92.45	+1.67
3 % 1967 ..		98.50	97.65	97.55	98.84	99.13	99.07	99.15	97.45	+1.42
3½ % 1967 ..			99.67	99.66	100.30	100.77	100.80	100.80	99.65	+1.13
3½ % 1968(d) ..					98.55	98.83	98.95	98.95	98.50	
3½ % 1968(c) ..				99.50	100.24	100.57	100.60	100.60	99.50	
<b>Between 10 and 15 years</b>										
3 % 1970-75 ..	92.81	87.20	86.14	87.21	89.74	90.57	91.00	91.05	86.25	+4.86
4 % 1972 ..			100.06	100.34	100.48	101.13	101.59	101.65	100.15	+1.53
4 % 1973(c) ..				100.05	100.28	100.85	101.55	101.65	100.00	
<b>Over 15 years</b>										
3½ % 1974 ..		98.50	98.20	98.28	98.30	98.35	98.84	98.85	98.20	+0.64
2½ % 1976 ..	89.00	83.15	83.07	83.05	83.20	83.20	83.25	83.25	83.05	+0.18
<b>Non-Terminables:</b>										
3 % Conversion Loan 1986 or later ..	92.50	74.15	71.02	71.10	74.09	73.21	74.09	74.35	71.00	+3.07
3 % Rupee Paper ..	92.50	73.00	71.05	71.10	73.99	73.05	72.75	74.10	71.00	+1.70

redemption.

(a) Average of closing quotations for working days. (b) Redeemed on August 16, 1958. (c) Issued on May 12, 1958. (d) Issued on August 26, 1958.

# STATEMENT 40

## AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES (ANNUAL AND MONTHLY)

(Per cent per annum)

LOANS		As on Nov. 14, 1951	As on May 15, 1957	Average for					Annual Average			Difference of March 1959 over March 1958			
				March 1958	June 1958	Sept. 1958	Dec. 1958	Mar. 1959	1958-59	1957-58					
Terminables:	Under 5 years:														
	3 % 1958(a)	..	..	3.04	3.28	3.61	4.25	3.19	3.45	3.73	4.22	3.36	3.90	+0.04	
	3 % 1959-61	..	..	3.24	4.05	3.69	3.77	(3.06)	(3.12)	(3.13)	3.53	3.90	(-0.17)		
		..	..	(3.19)	(3.57)	(3.30)	(3.29)	3.27	3.40	3.52	(3.16)	(3.45)	(-0.36)		
	2½ % 1960	..	..	3.33	3.94	3.88	3.67	3.40	3.52	3.74	3.51	3.96	3.79	-0.46	
	2½ % 1961	..	..	3.26	4.20	4.20	4.04	3.57	3.65	3.74	3.79	4.21	4.21	-0.16	
	2½ % 1961	..	..	3.64	3.64	3.61	3.66	3.43	3.46	3.45	3.53	3.64	3.64	-0.31	
	2½ % 1962	..	..	3.36	4.00	3.97	3.89	3.39	3.63	3.66	3.72	4.01	4.01	-0.26	
	2½ % 1962	..	..	..	3.73	3.78	3.80	3.50	3.50	3.52	3.63	3.79	3.79	-0.26	
	3½ % 1963(b)	..	..	..	..	..	3.77	3.49	3.48	3.51	3.57	3.89	4.28	-0.40	
	3½ % 1963-65	..	..	3.46	4.11	4.24	4.00	3.78	3.78	3.84	3.89	4.28	4.28	-0.83	
		..	..	(3.40)	(3.87)	(3.92)	(3.73)	(3.56)	(3.55)	(3.59)	(3.64)	(3.97)	(3.97)	-0.44	
	3 % 1964	..	..	3.42	3.91	4.05	3.85	3.66	3.63	3.61	3.73	4.04	4.04	-0.35	
	3 % 1964	..	..	..	3.79	3.89	3.80	3.80	3.50	3.52	3.54	3.62	3.89	3.89	-0.35
	Between 5 and 10 years:														
	3½ % 1965	..	..	..	3.76	3.87	3.87	3.79	3.54	3.53	3.57	3.64	3.86	3.86	-0.30
	3 % 1966-68	..	..	3.52	4.02	4.10	4.01	3.88	3.88	3.90	3.95	3.95	4.15	4.15	-0.15
		..	..	(3.48)	(3.87)	(3.92)	(3.84)	(3.72)	(3.73)	(3.78)	(3.78)	(3.78)	(3.97)	(3.97)	(-0.14)
	3½ % 1967	..	..	..	3.68	3.80	3.82	3.82	3.65	3.62	3.63	3.70	3.76	3.76	-0.17
2½ % 1967	..	..	..	..	3.80	3.79	3.79	3.71	3.64	3.64	3.71	3.81	3.81	-0.16	
3½ % 1968(c)	..	..	..	..	3.80	3.80	3.81	3.67	3.65	3.63	3.65	3.81	3.81	-0.16	
3½ % 1968(b)	..	..	..	..	3.80	3.80	3.81	3.72	3.68	3.67	3.73	3.81	3.81	-0.16	
Between 10 and 15 years:															
3 % 1970-75	..	..	3.52	4.26	4.45	4.35	4.08	4.08	4.01	3.98	4.16	4.41	4.41	-0.47	
	..	..	(3.44)	(3.99)	(4.12)	(4.04)	(3.83)	(3.83)	(3.76)	(3.74)	(3.88)	(4.09)	(4.09)	(-0.38)	
4 % 1972	..	..	..	..	3.99	3.97	4.00	3.97	3.92	3.86	3.93	4.00	4.00	-0.14	
4 % 1973(b)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Over 15 years:															
3½ % 1974	..	..	3.41	3.87	3.90	3.90	3.90	3.89	3.90	3.85	3.89	3.89	3.89	-0.05	
2½ % 1976	..	..	..	4.01	4.06	4.07	4.08	4.08	4.09	4.10	4.08	4.03	4.03	-0.04	
Non-terminables:															
3 % Conversion Loan 1986 or later F	..	..	3.37	4.04	4.23	4.22	4.05	4.10	4.10	4.05	4.13	4.18	4.18	-0.18	
3 % Rupee Paper F	..	..	3.25	4.11	4.23	4.22	4.05	4.11	4.11	4.12	4.15	4.19	4.19	-0.11	

Note.—The maturity classification is as of March 31, 1959 and on the assumption of the earlier date of redemption.

Yields are gross, i.e. not allowing for Income-tax and are based on prices quoted at Bombay.

In the case of two dated loans, the yields to the later date of redemption are shown in brackets

(a) Redeemed on August 16, 1958. (b) Issued on May 12, 1958. (c) Issued on August 26, 1958.

F = Flat yield

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE ALL-INDIA AND REGIONAL INDICES

(Compiled by the Department of Research <sup>(Base :</sup>

Average for the last week of		Government and Semi-Government Securities				Deben-	
		All-India	Bombay	Calcutta	Madras	All-India	Bombay
(Base: 1949-50 = 100)							
1	1955-56 ..	90.9	90.3	90.8	91.2	101.1	100.0
2	1956-57 ..	90.0	89.3	89.9	90.2	98.9	99.0
3	1957-58 ..	89.4	88.8	89.2	89.6	97.2	96.5
(Base: 1952-53 = 100)							
4	1957-58 ..	98.6	98.6	98.5	98.5	98.9	98.4
5	1958-59 ..	100.7	100.7	100.6	100.7	101.5	102.2
1958-59 (weekly)							
Average for the week ended							
6	April 5	98.7	98.6	98.6	98.5	98.9	98.4
7	" 12	98.7	98.7	98.7	98.6	98.9	98.4
8	" 19	98.8	98.7	98.8	98.7	98.8	98.4
9	" 26	98.8	98.8	98.8	98.7	98.8	98.4
10	May 3	98.9	98.8	98.8	98.7	98.9	98.6
11	" 10	98.9	98.8	98.9	98.7	99.0	98.9
12	" 17	98.9	98.9	98.9	98.8	99.0	98.8
13	" 24	98.9	98.9	98.9	98.8	99.0	98.9
14	" 31	98.9	98.9	98.9	98.8	99.1	99.0
15	June 7	99.0	98.9	99.0	98.8	99.1	99.1
16	" 14	99.1	99.0	99.0	99.0	99.1	99.0
17	" 21	99.1	99.0	99.1	99.0	99.1	99.0
18	" 28	99.1	99.1	99.0	99.0	99.2	99.0
19	July 5	99.1	99.1	99.1	99.0	99.2	99.2
20	" 12	99.1	99.1	99.1	99.1	99.2	99.1
21	" 19	99.2	99.2	99.2	99.1	99.2	99.1
22	" 26	99.3	99.2	99.2	99.2	99.2	99.2
23	August 2	99.3	99.3	99.3	99.2	99.3	99.3
24	" 9	99.4	99.4	99.4	99.3	99.2	99.3
25	" 16	99.6	99.6	99.6	99.6	99.1	99.4
26	" 23	99.8	99.8	99.7	99.8	99.1	99.4
27	" 30	100.0	100.0	100.0	100.0	99.4	99.8
28	September 6	100.2	100.3	100.0	100.2	99.8	100.4
29	" 13	100.5	100.5	100.4	100.4	100.0	101.0
30	" 20	100.5	100.4	100.4	100.5	100.2	101.0
31	" 27	100.5	100.4	100.5	100.5	100.3	101.0
32	October 4	100.5	100.4	100.5	100.5	100.3	101.0
33	" 11	100.6	100.7	100.5	100.5	100.3	101.0
34	" 18	100.4	100.3	100.4	100.4	100.3	101.0
35	" 25	100.4	100.3	(a)	100.3	100.3	101.0
36	November 1	100.3	100.3	100.3	100.3	100.4	101.0
37	" 8	100.4	100.3	100.4	100.3	100.4	100.9
38	" 15	100.4	100.3	100.4	100.3	100.4	100.9
39	" 22	100.4	100.3	100.5	100.3	100.4	101.0
40	" 29	100.4	100.4	100.4	100.4	100.6	101.1
41	December 6	100.5	100.4	100.5	100.4	100.9	101.3
42	" 13	100.5	100.5	100.5	100.5	101.0	101.3
43	" 20	100.5	100.5	100.5	100.5	101.1	101.4
44	" 27	100.5	100.5	100.5	100.5	101.1	101.4
45	January 3	100.6	100.5	100.5	100.5	101.1	101.4
46	" 10	100.6	100.6	100.5	100.5	101.2	101.6
47	" 17	100.7	100.7	100.6	100.6	101.3	101.7
48	" 24	100.7	100.7	100.6	100.7	101.3	101.7
49	" 31	100.7	100.7	100.6	100.7	101.4	102.0
50	February 7	100.7	100.6	100.6	100.6	101.4	102.0
51	" 14	100.7	100.6	100.6	100.6	101.5	102.1
52	" 21	100.6	100.6	100.6	100.6	101.5	102.2
53	" 28	100.7	100.7	100.6	100.6	101.4	102.1
54	March 7	100.7	100.7	100.7	100.7	101.4	102.1
55	" 14	100.7	100.7	100.7	100.7	101.5	102.2
56	" 21	100.7	100.7	100.7	100.6	101.5	102.2
57	" 28	100.7	100.7	100.6	100.7	101.5	102.2

(a) Market closed.

# MENT 41

## (ANNUAL AND WEEKLY) OF SECURITY PRICES

1952-53 = 100)

and Statistics of the Reserve Bank of India)

turers		Preference Shares				Variable Dividend Industrial Securities				
Calcutta	Madras	All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras	
102.1	100.1	85.7	90.2	80.3	97.0	124.6	131.5	112.7	126.8	1
98.6	99.5	79.3	83.4	73.4	93.8	109.2	119.1	95.8	122.5	2
97.3	97.4	70.4	79.6	61.9	83.7	97.9	114.4	83.4	110.2	3
100.0	98.5	85.4	86.1	84.2	91.3	126.6	128.5	121.3	147.2	4
102.3	99.0	89.7	89.3	88.3	97.3	146.8	147.8	145.3	159.7	5
99.9	98.5	85.5	86.3	84.3	91.4	128.1	130.7	122.8	146.5	6
99.9	98.5	85.6	86.7	84.2	91.7	128.1	130.5	123.1	146.2	7
99.8	98.5	85.4	86.5	83.8	91.8	127.6	129.8	122.6	145.4	8
99.8	98.5	85.5	86.6	84.0	91.9	127.8	130.4	122.5	145.6	9
99.8	98.5	85.4	86.5	83.8	91.7	127.4	129.8	122.2	145.0	10
99.8	98.5	85.3	86.2	83.8	91.9	127.0	129.3	122.2	144.1	11
99.8	98.5	85.3	86.0	83.9	91.7	127.3	129.5	123.0	142.8	12
99.8	98.5	85.3	85.9	84.1	91.8	126.7	127.9	123.4	142.0	13
99.8	98.5	85.4	86.1	84.0	91.7	127.3	128.5	123.9	142.6	14
99.9	98.5	85.3	86.3	83.9	91.3	128.5	130.3	124.9	142.7	15
99.9	98.5	85.3	86.3	83.9	91.3	129.8	132.0	125.8	143.8	16
99.9	98.5	85.3	86.0	83.9	91.4	131.1	134.3	126.5	145.0	17
100.0	98.5	85.6	86.3	84.2	91.6	133.2	136.8	128.1	148.6	18
99.9	98.5	85.6	86.6	84.3	90.5	135.9	140.3	129.8	152.0	19
99.9	98.0	85.8	86.9	84.4	90.5	136.6	140.4	131.2	151.2	20
100.0	98.0	86.0	87.3	84.7	90.6	136.8	139.9	132.1	150.7	21
100.0	98.0	86.4	87.7	84.9	91.3	137.4	140.4	132.8	151.1	22
100.0	98.0	86.7	87.9	85.3	91.5	138.4	141.3	134.0	151.5	23
99.9	98.0	87.0	88.1	85.8	91.6	138.5	141.2	134.3	151.4	24
99.7	98.0	87.0	88.3	85.8	91.5	139.3	142.7	134.9	151.9	25
99.8	98.0	87.1	88.3	86.1	91.3	141.2	145.6	136.2	152.9	26
99.8	98.0	87.3	88.5	86.2	91.3	142.6	147.1	137.6	154.8	27
100.3	98.0	87.5	88.7	86.4	91.6	141.9	146.3	137.0	154.3	28
100.3	98.0	88.0	89.0	87.0	91.9	142.7	147.0	138.5	154.4	29
100.6	98.0	88.1	89.0	87.3	92.0	144.3	149.3	139.5	156.0	30
100.8	98.0	88.4	88.8	87.7	92.9	144.7	149.3	140.5	156.3	31
100.7	98.0	87.9	87.2	87.7	93.0	142.8	145.4	139.9	156.0	32
100.7	98.0	88.0	87.3	87.9	93.3	142.5	145.5	139.3	155.1	33
100.9	98.0	88.2	87.4	88.0	93.8	142.7	145.4	139.8	155.1	34
(a)	98.0	88.3	87.9	(a)	93.9	143.5	147.4	(a)	155.6	35
101.0	98.0	88.4	88.3	87.7	94.1	144.1	147.8	140.5	155.8	36
101.0	98.0	88.1	87.3	87.8	94.4	143.2	145.9	140.6	154.9	37
101.0	98.0	88.2	87.6	87.7	94.5	142.5	145.2	139.7	154.0	38
101.0	98.0	88.3	87.6	87.9	94.3	140.4	142.1	138.2	152.9	39
101.2	98.0	88.1	87.5	87.8	94.3	139.7	142.0	137.3	150.9	40
101.8	98.0	88.1	87.5	87.7	94.3	139.5	142.1	136.9	150.8	41
102.0	98.0	88.1	87.3	87.8	94.1	138.2	140.4	136.0	149.8	42
102.1	98.0	88.0	87.2	87.8	94.1	136.4	137.9	134.6	149.4	43
102.1	98.0	87.9	87.0	87.8	94.2	136.5	138.1	134.6	149.6	44
102.1	98.0	87.7	87.1	87.4	93.5	136.1	137.8	134.0	149.5	45
102.2	98.0	87.5	86.9	87.1	93.8	136.8	139.2	134.2	149.8	46
102.2	98.0	87.6	86.9	87.2	93.9	138.2	141.1	135.4	150.2	47
102.2	98.7	87.7	87.1	87.1	94.4	138.3	140.4	136.6	150.4	48
102.2	98.7	87.8	87.2	87.2	94.4	138.2	140.1	136.8	149.6	49
102.2	98.7	87.9	87.4	87.2	94.6	138.4	140.4	137.0	149.2	50
102.2	98.7	88.1	87.7	87.4	94.4	138.3	140.3	136.5	149.5	51
102.2	98.7	88.3	88.0	87.5	94.7	138.1	140.0	136.4	149.6	52
102.2	98.7	88.6	88.7	87.6	94.6	139.3	141.5	137.4	150.5	53
102.2	98.7	88.8	88.9	87.8	95.6	141.0	143.1	139.0	152.6	54
102.2	98.7	89.2	89.0	88.0	96.5	144.3	146.1	142.6	156.4	55
102.3	99.0	89.5	89.2	88.3	97.1	146.2	147.8	144.5	158.4	56
102.3	99.0	89.7	89.3	88.8	97.3	146.8	147.8	145.3	159.7	57

## STATE

## INDEX NUMBERS OF SECURITY

(Compiled by the Department of Research)

Average of weeks		GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES			SUB-GROUP INDICES OF			
		Government and semi- Government securities	Debentures	Preference shares (Fixed Dividend)	Variable Dividend	Government of India	State- Govern- ments	Municipal, Port Trust and Improvement Trust	Plantations	Coal	Sugar	Cotton Textiles
		1	2	3	4	5	6	7	8	9	10	11
(Base: 1949-50=100)												
1	1953-54	...	90.4	101.1	87.3	95.6	90.2	95.6	89.7	100	90	100
2	1954-55	...	90.5	100.7	88.4	112.9	90.4	95.9	89.3	100	91	100
3	1955-56	...	90.9	100.8	87.3	121.6	90.8	96.4	89.4	99	91	99
4	1956-57	...	90.5	100.1	82.9	121.2	90.2	96.7	90.6	99	91	99
5	1957-58	...	89.3	98.1	74.5	100.3	89.0	96.4	90.2	98	87	98
(Base: 1952-53=100)												
6	1957-58(a)	...	98.3	99.6	88.0	125.4	98.1	100.1	99.1	100	100	98
7	1958-59	...	99.9	100.1	87.2	137.3	99.8	101.3	99.0	100	100	99
8	July	1957	...	98.4	101.3	91.7	133.6	98.1	100.3	99.4	100	101
9	August	"	...	98.2	101.3	90.7	130.5	97.9	100.1	99.3	100	101
10	September	"	...	98.3	99.7	88.7	125.1	98.0	100.0	99.2	100	97
11	October	"	...	98.3	99.1	88.2	122.7	98.0	100.0	99.1	100	97
12	November	"	...	98.3	99.0	87.6	124.3	98.0	100.0	99.1	100	97
13	December	"	...	98.3	98.8	86.8	122.0	98.1	100.0	98.9	100	96
14	January	1958	...	98.4	98.7	86.0	121.1	98.1	100.1	98.9	100	97
15	February	"	...	98.4	98.9	86.0	123.2	98.2	100.2	98.9	100	98
16	March	"	...	98.6	98.9	85.7	124.2	98.3	100.3	98.9	100	98
17	April	"	...	98.8	98.8	85.5	127.9	98.5	100.4	98.9	100	98
18	May	"	...	98.9	99.0	85.3	127.2	98.7	100.6	98.8	100	99
19	June	"	...	99.1	99.1	85.4	130.6	98.9	100.6	98.8	100	99
20	July	"	...	99.2	99.2	85.9	136.7	99.0	100.6	98.8	100	99
21	August	"	...	99.6	99.2	87.0	140.0	99.5	100.9	98.8	100	99
22	September	"	...	100.4	100.1	88.0	143.4	100.3	101.3	98.8	100	99
23	October	"	...	100.5	100.3	88.1	142.9	100.4	101.5	98.9	100	99
24	November	"	...	100.4	100.4	88.2	142.0	100.3	101.6	99.0	100	99
25	December	"	...	100.5	101.0	88.0	137.7	100.4	101.9	99.0	100	99
26	January	1959	...	100.6	101.2	87.7	137.5	100.5	102.1	99.3	100	99
27	February	"	...	100.7	101.5	88.2	138.5	100.5	102.2	99.5	100	99
28	March	"	...	100.7	101.5	89.3	144.6	100.5	102.3	99.7	100	99
29	Percentage Variation of March 1959 over March 1958											
	March 1958	...	+2.1	+2.6	+4.2	+16.4	+2.2	+2.0	+0.8	—	—	+1.0

(a) Average of 40 weeks.

## MENT 42

## PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

and Statistics of the Reserve Bank of India)

## DEBENTURES

SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED  
DIVIDEND INDUSTRIAL SECURITIES)

Jute Textiles	General Engi- neering	Elec- tricity Gene- ration & Supply	Others	Plan- ta- tions	Coal	Sugar	Cotton Texti- les	Jute Texti- les	Iron and Steel	Gene- ral Engi- neering	Basic Indus- trial Chemicals	Ceme- nt	Paper	Elec- tricity Gene- ration and Supply	Trad- ing	Ship- ing and other Trans- port	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
97	101	103	100	88	91	75	84	86	92				87	98		1	
99	101	102	101	94	90	80	83	88	91				87	96		2	
98	101	102	101	100	92	85	80	86	90				87	96		3	
98	101	101	101	101	84	83	82	78	86				81	90		4	
95	98	99	98	91	78	74	73	65	80				78	85		5	
95	98	97	101	103	79	93	87	74	88	105	84	98	90	85	77	85	6
92	99	97	103	97	77	89	79	76	91	100	86	99	85	87	79	86	7
98	100	99	103	106	85	98	90	78	92	117	87	103	94	87	79	87	8
98	101	99	103	105	84	96	90	77	90	112	87	100	93	86	78	87	9
93	98	97	102	104	81	95	89	75	88	103	86	98	92	85	78	87	10
93	97	97	101	103	79	94	88	75	88	103	83	97	91	85	78	85	11
93	96	97	101	102	80	93	88	74	87	102	82	97	91	85	77	85	12
93	96	97	101	101	79	92	87	73	87	103	83	97	91	85	76	85	13
93	96	97	101	100	76	91	84	72	87	101	83	98	87	85	75	82	14
94	97	97	101	100	75	91	84	72	88	101	83	98	84	85	73	82	15
94	97	97	101	100	75	90	82	70	89	99	83	98	84	86	73	82	16
93	97	97	101	99	75	90	80	68	90	97	83	98	84	86	73	82	17
93	98	97	101	97	74	90	79	68	89	99	83	98	84	86	73	84	18
93	98	97	101	97	76	89	79	69	89	99	84	96	85	87	74	86	19
93	98	97	101	95	75	89	80	72	90	99	85	96	84	87	75	85	20
91	98	97	101	96	75	88	80	73	91	99	85	100	84	88	79	85	21
92	98	97	103	97	76	89	80	75	93	100	86	97	85	88	80	85	22
92	99	97	103	97	75	90	79	79	91	101	89	98	86	88	80	85	23
92	101	97	103	98	79	89	79	80	91	102	88	100	86	87	81	85	24
92	101	97	104	97	80	89	78	81	91	101	87	100	85	86	82	85	25
92	102	97	104	97	80	89	78	81	91	100	85	99	84	85	82	85	26
92	102	97	105	97	81	90	78	81	92	100	87	99	86	85	83	91	27
92	102	97	105	99	81	91	78	81	93	101	87	101	87	86	89	91	28

+ 4.0 - 1.0 + 8.0 + 1.1 - 4.9 + 15.7 + 4.5 + 2.0 + 4.8 + 3.1 + 3.6 — + 21.9 + 11.0



## STATE

## INDEX NUMBERS OF SECURITY

(Compiled by the Department of Research

SUB-GROUP INDICES OF

			Tea Planta- tions	Coffee Planta- tions	Rubber Planta- tions	Coal	Other Mining	Sugar	Cotton Textiles	Jute Textiles	Silk & Woollen	Iron and Steel
			29	30	31	32	33	34	35	36	37	38
(Base: 1949-50 = 100)												
1	1953-54	... ..	92(b)			78		85(c)	96(d)	82		107
2	1954-55	... ..	156(b)			82		101(c)	107(d)	93		140
3	1955-56	... ..	185(b)			81		105(c)	118(d)	95		154
4	1956-57	... ..	170(b)			78		105(c)	134(d)	70		147
5	1957-58	... ..	130(b)			67		95(c)	105(d)	52		119
(Base: 1952-53 = 100)												
6	1957-58(a)	... ..	144	182	136	89	145	160	120	63	329	116
7	1958-59	... ..	145	203	151	107	161	164	114	80	417	145
8	July	1957	164	186	156	91	166	171	132	67	368	122
9	August	"	158	185	148	89	161	169	129	64	346	115
10	September	"	146	175	132	86	148	158	124	64	323	111
11	October	"	140	177	131	86	142	156	120	63	311	108
12	November	"	144	186	135	90	143	158	119	69	306	114
13	December	"	136	190	131	89	135	158	115	64	301	114
14	January	1958	133	179	127	88	132	155	113	60	317	115
15	February	"	135	176	126	92	137	154	114	60	336	118
16	March	"	134	184	131	92	137	157	113	59	341	123
17	April	"	139	192	142	97	149	158	115	64	372	128
18	May	"	138	195	139	98	144	155	112	64	378	127
19	June	"	141	199	141	99	150	158	113	68	404	129
20	July	"	148	210	149	102	166	163	120	74	411	138
21	August	"	150	223	154	109	171	167	120	78	413	145
22	September	"	152	223	161	112	174	174	119	81	424	153
23	October	"	149	216	160	114	171	173	116	85	433	155
24	November	"	148	213	154	113	165	172	113	91	435	155
25	December	"	143	198	149	109	159	165	109	89	417	149
26	January	1959	140	191	148	108	157	160	109	90	423	150
27	February	"	144	183	154	111	156	158	108	89	437	152
28	March	"	154	195	162	114	170	166	110	91	467	161
29	Percentage Variation of March 1959 over											
	March 1958	... ..	+ 14.9	+ 6.0	+ 23.7	+ 23.9	+ 24..	+ 5.7	- 2.7	+ 54.2	+ 37.0	+ 30.9

(b) Including Coffee and Rubber plantations

(c) Including Breweries

(d) Including woollen and silk textiles

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 42—(Contd.)

### PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

and Statistics of the Reserve Bank of India)

#### VARIABLE DIVIDEND INDUSTRIAL SECURITIES

Transport Equipment	Electrical Machinery	Machinery other than Transport and Electrical	Basic Industrial Chemicals	Cement	Paper	Electricity Generation and Supply	Trading	Shipping and other Transport	Construction	Banks	Insurance	Investment Trust
39	40	41	42	43	44	45	46	47	48	49	50	51
			99	116	159	116		94		86	97	75
			132	141	211	123		108		87	108	90
			144	164	256	123		106		88	103	93
			144	176	266	112		118		94	87	90
			131	141	211	103		117		96	85	73
175	163	148	109	125	160	89	79	123	198	169	108	84
198	143	166	123	129	185	93	88	134	235	199	127	91
190	198	158	123	133	167	92	83	124	205	159	104	88
183	181	153	115	132	166	89	83	125	204	162	106	87
175	166	147	110	128	154	88	81	124	200	160	105	85
171	161	144	109	125	156	87	79	122	197	163	103	85
173	164	145	106	122	162	89	81	124	201	167	108	84
169	149	144	104	119	162	88	77	121	193	172	106	82
167	138	142	105	120	158	88	75	121	191	177	108	81
169	153	144	106	124	153	88	77	122	192	181	112	83
172	146	148	105	122	158	88	76	123	194	183	118	81
185	130	153	107	124	160	91	79	123	205	184	124	82
184	133	152	108	124	166	90	80	122	208	182	125	78
193	135	155	113	129	182	90	83	126	214	188	127	75
205	144	157	125	139	182	91	88	133	220	194	127	77
202	147	162	126	143	194	93	90	139	220	197	127	84
203	149	170	128	140	197	93	91	143	242	208	130	93
204	157	172	129	131	197	95	89	142	246	210	126	93
202	160	175	128	125	194	96	90	142	257	206	129	95
186	143	172	125	119	185	95	88	139	255	201	129	101
190	139	171	126	121	181	93	88	136	250	205	127	104
200	136	172	127	123	183	93	90	136	249	207	127	104
219	140	185	131	130	196	94	96	132	259	208	129	103

+27.3 -4.1 +25.0 +24.8 +6.6 +24.1 +6.8 +26.3 +7.3 +33.5 +13.7 +9.3 +27.1

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATE

### YIELDS (TAX-FREE) ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Research and

ALL,

Average of months/ month		Deben- tures (Total)(a)	Prefe- rence (Total)	Variable			Dividend		Industrial					
				Total	Financial		Public Utilities	Manufacturing						
					Banks	Insu- rance		Invest- ment Trust	Electri- city	Ship- ping and Other Trans- port	Cotton Tex- tiles(b)	Jute Tex- tiles	Iron and Steel(c)	Paper
		1	2	3	4	5	6	7	8	9	10	11	12	
1	1954-55	..	3.79	5.21	5.09	5.19	3.90	6.12	5.82	5.01	5.85	3.92	3.55	4.71
2	1955-56	..	3.82	5.29	5.01	5.70	4.71	6.01	5.75	4.52	5.26	4.08	3.21	4.75
3	1956-57	..	3.96	5.43	5.68	5.77	6.60	6.53	6.16	5.12	5.25	4.55	3.40	6.05
4	1957-58	..	4.11	5.99	6.88	6.44	7.27	7.37	7.02	6.26	7.22	5.47	4.98	7.62
5	1958-59	..	4.18	5.92	6.27	6.22	6.75	5.95	6.71	4.98	6.45	5.69	4.31	6.67
6	April 1957	..	4.14	5.78	6.34	6.53	7.04	7.46	6.65	5.90	6.52	4.35	4.09	7.32
7	May "	..	4.13	5.80	6.51	6.41	7.13	7.58	6.68	5.99	7.00	4.32	4.24	7.47
8	June "	..	4.16	5.81	6.63	6.46	7.44	7.73	6.81	6.09	7.16	4.73	4.24	7.58
9	July "	..	4.19	5.94	6.39	6.37	7.33	7.65	6.86	5.97	6.79	4.63	4.06	7.42
10	August "	..	4.21	6.05	6.68	6.35	7.30	7.72	7.06	6.38	6.95	4.73	5.27	7.58
11	September "	..	4.35	6.16	6.97	6.47	7.49	7.76	7.19	6.46	7.26	5.01	5.63	7.66
12	October "	..	4.18	6.00	7.09	6.61	7.59	7.76	7.20	6.63	7.38	5.17	5.72	7.63
13	November "	..	4.20	6.01	7.02	6.57	7.45	7.80	7.16	6.42	7.17	5.56	5.44	7.76
14	December "	..	4.27	6.03	7.20	6.42	7.33	7.93	7.17	6.37	7.44	6.62	5.43	7.64
15	January 1958	..	4.14	6.08	7.26	6.36	7.25	6.60	7.21	6.32	7.61	6.78	5.39	7.89
16	February "	..	4.14	6.09	7.19	6.32	7.06	6.10	7.18	6.31	7.63	6.89	5.22	7.81
17	March "	..	4.20	6.15	7.24	6.43	6.81	6.30	7.11	6.26	7.71	6.87	5.04	7.70
18	April "	..	4.24	6.17	6.97	6.53	6.51	6.20	6.97	6.23	7.04	6.47	4.82	7.43
19	May "	..	4.26	6.18	6.97	6.54	6.36	6.81	6.95	6.22	7.24	6.37	4.86	7.15
20	June "	..	4.25	6.13	6.83	6.46	6.81	7.10	6.93	5.65	7.10	6.16	4.78	6.85
21	July "	..	4.25	5.98	6.52	6.41	6.84	6.91	6.79	5.55	6.58	5.70	4.47	6.75
22	August "	..	4.23	5.91	6.36	6.36	6.65	6.26	6.67	5.57	6.58	5.47	4.29	6.54
23	September "	..	4.20	5.84	6.04	6.18	6.64	5.38	6.76	5.40	6.10	5.44	4.10	6.31
24	October "	..	4.18	5.86	5.94	6.08	6.86	5.41	6.70	4.21	5.89	5.54	4.03	6.36
25	November "	..	4.15	5.83	5.89	6.10	7.02	5.40	6.45	3.62	6.07	5.33	4.03	6.32
26	December "	..	4.12	5.79	6.01	6.12	7.04	5.15	6.51	4.25	6.30	5.45	4.19	6.63
27	January 1959	..	4.11	5.77	5.98	5.98	6.97	5.40	6.58	4.24	6.31	5.39	4.17	6.77
28	February "	..	4.07	5.76	5.96	5.91	6.78	5.58	6.62	4.26	6.22	5.44	4.12	6.63
29	March "	..	4.05	5.75	5.81	5.92	6.57	5.82	6.60	4.55	6.01	5.50	3.88	6.25

Note.—Tax-free yields of taxable securities are calculated, deducting income-tax at maximum rate (25%) and surcharge (1.25% of income upto September 1957 and 5% thereafter.)

(a) 4% Rohtas Debenture 1959 is replaced by 5½% Orient Paper Debenture 1961 from February 1957.

(b) Including woollen and silk.

(c) Estimated from July 1956 to June 1957.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 43

### AND REGIONAL—BY GROUPS AND SUB-GROUPS

Statistics of the Reserve Bank of India)

(Per cent per annum)

#### INDIA

Securities								REGIONAL				
Industries				Non-Manufacturing Industries			Miscellaneous	Variable Dividend Industrial Securities				
Cement	General Engineering	Sugar(d)	Chemicals	Coal	Mining and Oil	Plantations		Bombay	Calcutta	Madras	Delhi	
13	14	15	16	17	18	19	20	21	22	23	24	
5.00	3.56	5.55	5.18	5.55	5.41	5.46	5.14	4.79	4.91	6.50	5.78	1
4.51	3.30	5.13	5.38	5.24	6.41	9.99	3.07	4.55	4.98	6.86	4.63	2
4.56	4.53	5.79	5.90	6.28	7.81	9.43	6.33	5.05	5.82	6.54	6.14	3
5.76	6.20	6.28	6.57	7.33	8.64	9.35	7.90	6.36	6.95	7.41	7.11	4
5.91	5.51	5.89	6.76	6.27	7.25	7.82	7.03	5.93	6.22	6.79	7.13	5
5.47	5.55	6.10	6.39	7.21	9.96	7.35	7.40	6.04	6.35	6.96	7.00	6
5.61	5.65	6.46	6.35	7.33	9.13	7.76	7.74	6.15	6.51	7.03	7.18	7
5.62	5.90	6.62	6.16	7.50	8.44	7.82	7.90	6.19	6.65	7.29	7.19	8
5.40	5.71	6.23	6.00	7.19	7.56	7.50	7.77	6.01	6.45	7.04	6.98	9
5.55	5.84	6.20	6.21	7.42	7.79	8.46	7.95	6.33	6.77	6.86	7.01	10
5.81	6.13	6.24	6.38	7.48	8.39	9.61	8.17	6.48	7.07	7.29	7.23	11
5.89	6.32	6.18	6.49	7.55	8.58	10.16	8.17	6.63	7.15	7.57	7.21	12
5.90	6.30	6.17	6.63	7.45	8.18	10.35	8.00	6.52	7.06	7.66	7.24	13
5.94	6.64	6.23	6.77	7.21	9.01	10.67	8.04	6.54	7.28	7.78	7.19	14
5.97	6.78	6.41	6.85	7.29	9.03	10.87	8.02	6.53	7.39	7.73	7.01	15
5.89	6.85	6.28	7.16	7.11	8.82	10.77	7.76	6.47	7.32	7.65	6.93	16
6.08	6.71	6.22	7.50	7.25	8.79	10.87	7.94	6.38	7.37	8.04	7.22	17
5.87	6.44	6.70	7.25	6.87	8.27	10.61	7.73	6.16	7.11	7.70	7.62	18
5.92	6.19	6.75	7.24	6.80	8.44	10.43	7.61	6.23	7.08	7.70	7.65	19
5.85	5.93	6.39	7.23	6.73	8.07	10.27	7.42	6.15	6.93	7.39	7.65	20
5.72	5.82	5.95	7.03	6.75	7.34	9.68	7.10	5.92	6.65	6.91	7.33	21
5.72	5.73	5.61	7.10	6.27	7.04	8.70	7.11	5.85	6.46	6.70	7.53	22
5.62	5.59	5.50	6.80	6.17	6.71	6.64	6.96	5.70	6.08	6.44	6.85	23
5.76	5.55	5.40	6.58	5.90	6.66	6.56	7.00	5.76	5.84	6.40	6.57	24
5.91	5.02	5.29	6.48	5.93	6.64	6.57	6.79	5.79	5.71	6.43	6.80	25
6.08	5.13	5.50	6.40	6.11	7.05	5.97	6.95	5.99	5.75	6.51	7.02	26
6.03	5.12	5.63	6.43	6.03	7.09	6.12	6.77	5.92	5.72	6.52	6.95	27
6.11	5.09	5.90	6.37	5.86	7.08	6.30	6.70	5.87	5.72	6.46	6.87	28
6.26	4.50	6.01	6.16	5.85	6.57	5.96	6.27	5.76	5.57	6.32	6.72	29

(d) Including breweries.

## STATEMENT 44

## PRICES OF REPRESENTATIVE INDUSTRIAL SHARES, 1958-59

## REPORT ON CURRENCY AND FINANCE, 1958-59

SCRIPS	End of										1958-59		Percentage variations of		
											Highest	Lowest	9 over 4	9 over 5	12 13
	Sept. 1953	Nov. 1955	Aug. 1956	Dec. 1957	March 1958	June 1958	Sept. 1958	Dec. 1958	March 1959						
<b>Steels:</b>															
Tata Ordinary ..	314.75	270.75	212.75xr	160.50	181.25	189.25	173.25xr	173.00	184.50	189.75	159.50xr				
Indian Iron ..	23.16	43.25	36.81	18.70xr	21.39	22.80	26.48	24.72	24.37xr	27.70	20.90				
<b>Textiles :</b>															
Bombay Dyeing ..	356.25	617.50	667.50	49.80(a)	56.70	56.70	58.00	55.40	60.30	63.60	52.30		+21.1	+6.3	
Kohinoor ..	276.50	356.00	379.00	259.50	286.50	275.50	268.50	233.50	255.00	294.00	230.50		-1.7	-11.0	
Century ..	256.50	495.00	584.50	382.00	437.25	448.50	440.00xr	416.50	482.00	486.00	410.00xr				
Buckingham ..	122.00	181.50	205.00	155.00	168.25	167.00	180.00	174.00	173.50	182.00	165.00		+11.9	+3.1	
Madura ..	39.50	52.25	52.25	33.75	33.50	35.50	32.25	28.55	25.50	36.50	25.00		-24.5	-23.9	
<b>Banks :</b>															
India ..	155.50	160.00	172.00	132.25	130.50	134.00	137.00	137.00	136.00	141.50	129.25		+2.8	+4.2	
Central ..	63.75	53.00	53.00	52.30	51.50	53.50	58.00	58.50	59.50	59.50	51.00		-13.8	+15.5	
<b>Jute :</b>															
Anglo-India ..	200.00	228.00	188.00	146.50	137.00	162.00	202.00	202.00	235.00	238.00	141.50		+60.4	+71.5	
Howrah ..	23.00	30.12	24.25	13.44	13.81	16.12	21.06	18.44	24.50	25.00	13.87		-52.3	+77.4	
National ..	23.56	34.31	26.37	22.10	21.90	22.75	22.62	25.25	24.00	26.75	21.00		+8.6	+9.6	
<b>Coal :</b>															
Bengal ..	507.00	548.00	542.00	228.00xr	209.00	234.00	283.00	261.00	302.00	308.00	212.00		+32.5	+44.5	
Central India ..	4.87	8.75	7.44	5.94	6.94	7.72	8.19	6.94	8.37	8.69	6.81		+40.9	+20.6	
<b>Tea :</b>															
Hasimara ..	27.50	41.62	33.87	21.12	20.81	23.25	23.25	20.25	23.00	26.00	20.12		+8.9	+10.5	
Hanapara ..	171.00	330.00	197.00xr	113.00	113.00	109.00	115.00	109.00	127.00	127.00	105.00		+12.4	+12.4	
Periakaramalai ..	6.75	9.19	11.25	4.05	4.05	4.38	4.00	3.85	4.30	4.64	3.81		+6.2	+6.2	
<b>Miscellaneous :</b>															
Belapur Sugar ..	242.00	372.00	254.50	252.00	240.00	260.00	309.00	295.50	291.50	326.50	240.50		+15.7	+21.5	
Cochin Malabar ..	6.37xr	8.87	13.12	4.25xr	5.05	4.75	5.50	5.46	6.23	6.33	4.32		+46.6	+23.4	
Consolidated Coffee ..	18.00xr	24.25	22.37	28.00	23.85	28.50	28.65	24.65	21.35	29.50	19.50		-23.8	-10.5	
A.C.C. ..	170.00xr	227.25	205.25	151.00xr	151.25	158.50	156.50	150.25	148.00	167.00	142.50		-2.0	-2.2	
<b>Fertilisers and Chemicals,</b>															
Travancore-Cochin ..	3.00	7.56	7.25	3.90	5.22	7.10	7.10	7.20	8.35	8.35	5.05		+114.1	+60.0	
Scindia Steam ..	13.66	18.03	18.62	17.08xr	17.16	18.48	21.04	21.04	18.40	22.92	16.96		+7.7	+7.2	
National Rayon ..	112.25	241.00	265.00	211.25	214.50xr	235.00	235.75	233.25	288.75	291.75	216.00		+50.3	+34.6	
Texmaco ..	6.12	20.44	24.19	15.60	18.30	19.30	22.55	20.30	23.45	23.56	17.50		+50.3	+28.1	

xr = Ex-right.

(a) = Split Share.

# STATEMENT 45

## CONTROL OF CAPITAL ISSUES, 1958

(Amount in Crores of Rupees)

Classification	Applications (a)		Consents										Further		Bonus	
	Total		Total		Initial		Others (b)		Debitures		Miscellaneous (Loans, etc.) (c)					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount				
Industrial ..	189 (16)	405.25 (328.50)	179 (16)	400.99 (328.50)	32 (d)	17.65 (1.50)	87 (11)	346.22 (320.44)	20	16.09	19 (3)	12.28 (6.06)	21	8.75		
Non-Industrial	115 (7)	25.19 (5.02)	103 (7)	21.98 (5.02)	6 (3)	3.15 (0.80)	45 (1)	6.38 (0.20)	3 (2)	2.38 (2.17)	23 (1)	8.95 (1.85)	26	1.12		
Of which :																
(i) Agriculture and Allied Activities ..	31	2.93	30	2.79	1	0.10	6	0.84	—	—	11	1.53	12	0.33		
(ii) Financial ..	36 (3)	5.30 (2.37)	31 (3)	5.10 (2.37)	1	0.75	25 (1)	2.01 (0.20)	2 (2)	2.17 (2.17)	—	—	3	0.18		
(iii) Trade & Transport	32 (2)	13.56 (0.70)	27 (2)	10.73 (0.70)	3 (2)	2.20 (0.70)	9 (1)	2.70 (0.84)	—	—	9	5.29 (1.85)	6	0.54		
(iv) Miscellaneous ..	16 (2)	3.40 (1.95)	15 (2)	3.36 (1.95)	1 (1)	0.10 (0.10)	5	0.84	1	0.21	3 (1)	2.13 (1.85)	5	0.08		
Total for 1958 ..	304 (23)	430.44 (333.52)	282 (23)	422.97 (333.52)	38 (3)	20.80 (2.50)	132 (12)	352.60 (321.14)	23 (2)	18.47 (2.17)	42 (4)	21.23 (7.91)	47	9.88		
" " 1957 ..	484 (..)	182.73 (..)	345 (12)	153.32 (17.95)	54 (4)	43.32 (7.00)	128 (7)	38.34 (0.35)	22 (2)	9.08	38 (2)	47.17 (4.60)	103	15.40		
" " 1956 ..	362 (..)	254.49 (..)	297 (16)	230.15 (32.40)	69 (8)	80.29 (32.45)	113 (6)	76.67 (3.80)	12 (2)	11.40 (1.15)	31 (2)	53.28 (1.15)	72	8.50		
" " 1955 ..	374 (..)	151.42 (..)	289 (16)	125.39 (32.40)	76 (8)	46.90 (32.45)	80 (6)	27.48 (3.80)	23 (2)	17.33	25	27.22 (1.15)	85	6.47		
" " 1950 ..	320	84.93	263	74.75	47	13.69	98	41.59	25	10.93	..	..	93	8.54		

Note:—Data relate to Government and non-Government Companies. Data in respect of Government Companies, available separately for 1956, 1957 and 1958 are shown in brackets below the totals. Figures in respect of applications from Government Companies disposed of are available only for 1958.

(a) Figures relate only to applications disposed of and not to applications received.

(b) Include ordinary and preference shares and miscellaneous (loans, etc.) during 1950 and ordinary and preference shares during 1955 to 1958.

(c) Loans raised by companies by creating a charge or lien on the assets of their property.

(d) This unusually large figure is due to the consent given for a single share issue of Rs. 300 crores in the Government Sector.

Source : Office of the Controller of Capital Issues.

# STATEMENT 46 A

## CAPITAL RAISED IN 1957 (REVISED)

Type of Issue	Capital Paid-up during the year against Consents					Capital raised for which the consent of the C.C.I. was not required (i.e. capital raised under exemption order)	Total Capital Raised (i.e. Paid-up)	
	Companies other than Government Companies		Government Companies		Public			Private
	Public	Private	Public	Private				
1	2	3	4	5	6	7	8	
Initial(a) Ordinary	6.96	2.72	0.02	12.34	0.09	1.18	23.32	
Preference	0.87	0.28	—	—	—	0.13	1.29	
Further(b) Ordinary	27.72	2.63	—	61.09	2.03	6.00	99.47	
Preference	3.81	0.21	—	—	0.12	0.14	4.28	
Debentures	9.26	0.53	0.06	—	0.02	—	9.87	
	48.63	6.38	0.08	73.43	2.26	7.45	138.23	
Bonus ... ..	5.55	0.72	—	—	—	—	6.27	
Miscellaneous (e.g. loans)	37.86	1.64	1.01	—	..	..	40.51	
Total ... ..	92.03	8.74	1.09	73.43	2.26	7.45	185.00	

**Note.**— The data in columns 2 to 5 relate to capital raised in 1957 against consents granted during that year as well as earlier years. The data are consolidated by the Controller of Capital Issues based on reports received upto April 15, 1959 from the companies/registrars of companies. These do not take into account capital raised by companies about which no reports were received. Figures given in columns 6 and 7 are based on returns received from the registrars of companies.

(a) Issues of new companies. (b) Issues of existing companies.

Source.—Office of the Controller of Capital Issues.

# STATEMENT 46 B

## CAPITAL RAISED IN 1958

Type of Issue	Capital Paid-up during the year against Consents					(Crores of Rupees)		
	Companies other than Government Companies		Government Companies			Capital raised for which the consent of the C.I.I. was not required (i.e. capital raised under exemption order)		
	Public	Private	Public	Private		Public	Private	Total Capital Raised (i.e. Paid-up)
1	2	3	4	5		6	7	8
Initial (a) Ordinary ..	4.92	5.13	—	14.48		0.21	1.93	26.67
Preference ..	0.68	0.05	—	—		—	0.03	0.75
Further (b) Ordinary ..	12.02	2.81	—	201.59		1.49	4.53	222.43
Preference ..	2.33	0.46	—	—		0.17	0.13	3.09
Debentures ..	9.01	0.11	—	—		—	—	9.12
	28.95	8.56	—	216.08		1.87	6.61	262.06
Bonus ..	10.71	0.28	—	—		—	—	10.99
Miscellaneous (e.g. loans) ..	18.45	0.11	—	—		..	..	18.56
Total ..	58.11	8.95	—	216.08		1.87	6.61	291.62

**Note.**— The data in columns 2 to 5 relate to capital raised in 1958 against consents granted during that year as well as earlier years. Data are provisional and are consolidated by the Controller of Capital Issues based on reports received from the companies/registrars of companies upto April 15, 1959. These do not take into account capital raised by companies about which no reports were received. Figures given in columns 6 and 7 are based on returns received from the registrars of companies.

(a) Issues of new companies.

(b) Issues of existing companies.

**Source.**—Office of the Controller of Capital Issues.



## STATEMENT 47

## ASSETS AND LIABILITIES OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

Liabilities						Assets					
As on last Friday of						As on last Friday of					
	1950-51	1955-56	1956-57	1957-58	1958-59		1950-51	1955-56	1956-57	1957-58	1958-59
1. Capital Issued and Paid-up ..	5,00.00	5,00.00	5,00.00	5,00.00	5,00.00	1. Cash in hand and with Bankers ..	47.28	1.70	9.37	5,99.24	71.84
2. Reserve Fund						2. Investments in Government Securities ..	4,58.33	—	—	—	—
(i) Special Reserve Fund under Sec. 32-A (1) of the I.F.C. Act	—	13.68	18.24	22.80	27.36	3. Loans and Advances ..	5,20.79	14,01.20	20,69.68	26,19.62	32,09.87
(ii) Other Reserves	1.00	5.50	5.50	6.50(a)	18.00	4. Debentures...	—	—	—	—	65.85
3. Reserve for Doubtful Debts..	—	20.00	42.50	15.18	15.14	5. Other Assets	41.39	67.32	96.08	1,79.96	1,56.70
4. Provision for Taxation ..	—	9.53	19.71	15.73	23.63						
5. Bonds and Debentures ..	5,30.00	7,80.50	7,80.50	12,36.97	16,75.28						
6. Borrowings from Reserve Bank of India ..	—	61.25(b)	1,06.50(b)	—	93.75(b)						
7. Borrowings from Government (c) ..	—	—	6,00.00	15,00.00	10,00.00						
8. Other Liabilities..	36.79	79.75	1,02.17	1,01.63	1,51.10						
Total	10,67.79	14,70.21	21,75.13	33,98.82	35,04.27	Total	10,67.79	14,70.21	21,75.13	33,98.82	35,04.27

*Note.*—The accounting year of the Corporation is from July 1 to June 30 ; however, the figures given here are as on the last Friday of March.

(a) Includes Rs. 1 lakh in respect of Reserve for Contingencies.

(b) Under Section 21 (3) (b) of the Industrial Finance Corporation Act, 1948 (as amended).

(c) Under Section 21 (4) of the Industrial Finance Corporation Act, 1948 (as amended).

Source : Industrial Finance Corporation of India.

## STATEMENT 48

## OPERATIONS OF STATE FINANCIAL CORPORATIONS

Corpora- tion(a)	Capital as at the end of March 1959	Loans sanctioned(b) during										Loans disbursed during										Loans outstanding as at the end of March					Assets as at the end of March 1959			
		1953- 1954					1955- 1956					1957- 1958					1959- 1960					1961- 1962					Total			
		1953- 1954	1954- 1955	1955- 1956	1956- 1957	1957- 1958	1958- 1959	1959- 1960	1960- 1961	1961- 1962	1962- 1963	1963- 1964	1964- 1965	1965- 1966	1966- 1967	1967- 1968	1968- 1969	1969- 1970	1970- 1971	1971- 1972	1972- 1973	1973- 1974	1974- 1975	1975- 1976	1976- 1977	1977- 1978	1978- 1979	1979- 1980	1980- 1981	
1. Madras(c).	1,32	41	13	83	49	69	1,18	24	17	33	77	67	81	94(d)	1,04(d)	1,27(d)	1,96(d)	2,34(d)	2,96(d)	1,97	4,93									
2. Punjab ..	1,00	29	21	40	26	31	73	9	15	19	22	27	26	22	9	22	39	57	75	90	1,34	2,25								
3. Bombay ..	2,00	—	68	80	72	53	62	—	30	33	73	38	22	—	6	24	60	1,47	1,71	1,50	1,73	3,23								
Saurashtra(e)	—	15	28	—	—	—	—	—	6	18	—	—	—	—	—	—	—	—	—	—	—	—								
4. Kerala(f) ..	1,00	—	37	43	34	8	45	—	34	28	25	11	35	—	—	34	62	84	89	1,03	62	1,65								
5. West Bengal	1,00	—	14	29	72	58	36	—	9	14	20	42	41	—	10	23	35	75	75	1,12	52	1,64								
6. Assam ..	1,00	—	3	54	15	36	46	—	—	26	16	25	29	—	—	26	39	54	74	62	1,36									
7. Uttar Pradesh ..	1,00	—	—	21	46	46	24	—	—	4	15	37	21	—	—	4	18	54	68	99	1,67									
8. Bihar ..	1,00	—	—	11	48	50	31	—	—	4	20	42	29	—	—	4	24	65	89	1,20	2,09									
9. Rajasthan..	1,00	—	—	7	23	31	15	—	—	2	7	26	11	—	—	2	9	35	43	67	1,10									
10. Madhya Pradesh.(g)	1,00	—	—	5	13	53	19	—	—	—	5	35	7	—	—	—	5	41	43	66	1,09									
11. Andhra Pradesh	1,50	—	—	—	45	36	16	—	20	—	—	7	18	26	—	20	23	30	47	62	1,12	1,74								
Hyderabad(h)	—	42	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—								
12. Orissa ..	50	—	—	—	—	6	14	—	—	—	—	1	5	—	—	—	—	1	6	47	53									
Total ..	13,32	70	2,14	4,06	4,43	4,78	4,99	33	1,32	1,88	2,87	3,69	3,33	1,03	2,26	4,03	6,45	9,40	11,36	11,91	23,28									

Note.—In terms of the States Reorganisation Act, effective November 1, 1956, the Bombay State and Saurashtra Financial Corporations established on November 30, 1953 and September 29, 1953, respectively, were amalgamated to form the Bombay State Financial Corporation and the Andhra and Hyderabad State Financial Corporations established on November 3, 1955 and February 13, 1954, respectively, were amalgamated to form the Andhra Pradesh State Financial Corporation. Figures for 1956-57 through 1958-59 in respect of Bombay and Andhra Pradesh relate to the amalgamated Corporations, while, for earlier years, separate data for Bombay and Saurashtra and Andhra and Hyderabad have been given.

(a) The Mysore Corporation which was established on March 30, 1959, issued capital only in May 1959. (b) Includes, in respect of some Corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the Corporation. (c) The Madras Industrial Investment Corporation Ltd. was registered under the Indian Companies Act in 1949. (d) Inclusive of loans disbursed prior to 1953-54. (e) The Corporation also subscribed to debentures to the extent of Rs. 3.75 lakhs during 1955-56. (f) Called the Travancore-Cochin Financial Corporation prior to November 1, 1956. (g) Called the Madhya Bharat Financial Corporation prior to November 1, 1956. (h) Loans transferred from the Madras Industrial Investment Corporation Ltd. (i) The Corporation also subscribed to the 7 per cent first mortgage debentures of a cotton mill for Rs. 10 lakhs, of which Rs. 7 lakhs were subscribed during 1954-55 and Rs. 3 lakhs during 1955-56.

Source : State Financial Corporations.

# STATEMENT 49

## PRICES (WEEKLY) OF GOLD AND SILVER AND ESTIMATED STOCKS IN BOMBAY, 1958-59

1958-59		Gold				Silver(a)			
As at the close of		Spot	Forward(b)	Premium (+) or Discount (-) of Spot over Forward	Estimated Floating Stocks (Tolas)	Spot	Forward(b)	Premium (+) or Discount (-) of Spot over Forward	Estimated Floating Stocks (in bars of 2,800 tolas)
		(per fine tola)				(per 100 tolas)			
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	
1958									
April	4	..	110.59	+0.50	22,000	195.50	195.50	—	400
"	11	..	113.62	+0.81	12,000	198.37	196.62	+1.75	400
"	18	..	113.50	+1.31	20,000	200.41	198.41	+2.00	350
"	25	..	114.31	+1.87	14,000	199.00	197.12	+1.88	300
May	2	..	113.00	+0.44	15,000	195.94	195.56	-0.38	300
"	9	..	113.87	+3.00	17,000	195.50	193.81	+1.69	200
"	16	..	113.44	-2.25	15,000	192.25	192.56	-0.31	250
"	23	..	110.94	+1.25	20,000	187.00	187.56	-0.56	400
"	30	..	107.44	+0.19	25,000	183.12	183.12	—	400
June	6	..	109.22	+1.25	15,000	184.66	185.66	-1.00	550
"	13	..	108.87	+1.25	17,000	183.62	184.12	-0.50	500
"	20(c)	..	108.62	+1.00	20,000	185.00	185.31	-0.31	500
"	27(c)	..	108.37	+0.71	20,000	182.75	183.00	-0.25	600
July	4	..	106.56	+0.75	25,000	180.56	181.62	-1.06	700
"	11	..	104.81	+0.50	20,000	179.19	180.25	-1.06	900
"	18	..	107.81	+0.37	25,000	182.62	183.44	-0.81	950
"	25	..	106.12	+0.53	20,000	181.81	181.84	-0.03	900
August	1(c)	..	105.44	+0.25	24,000	181.37	181.44	-0.07	1,000
"	8	..	106.47	+0.38	25,000	183.19	184.00	-0.81	900
"	15(c)	..	107.56	+0.75	25,000	183.25	183.75	-0.50	900
"	22	..	107.69	+0.50	20,000	184.37	184.50	-0.13	800
"	29(c)	..	107.94	+0.38	25,000	184.69	184.69	—	800

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**(a) Spot quotations for silver relate to below .996 fineness.**

*(b) Monthly settlements. When two or three settlements run during one week, the quotation for the first settlement only is shown.*

(c) Market closed ; preceding working day's quotations are given.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 50

### PRICES OF GOLD AND SOVEREIGNS IN BOMBAY (ANNUAL AND MONTHLY)

	Gold (per fine tola)						Sovereigns				Estimated Floating Stocks of Gold in Bombay (d) (Tolas)
	SPOT			FORWARD (a)			SPOT				
	Highest Rs.	Lowest Rs.	Average(b) Rs.	Highest Rs.	Lowest Rs.	Average (b) Rs.	Highest (c) Rs.	Lowest (c) Rs.	Average(b) Rs.		
1950-51	.. 120.12	104.75	113.46	118.87	104.50	113.21	78.25	73.81	76.05	77,308	
1955-56	.. 107.06	89.41	95.85	106.94	86.12	94.30	66.75	59.00	61.29	22,528	
1956-57	.. 109.62	98.94	104.52	109.00	97.94	104.06	70.00	65.75	67.58	24,577	
1957-58	.. 114.37	104.50	108.46	113.12	104.06	107.94	72.25	68.75	70.39	19,212	
1958-59	.. 120.50	104.19	112.08	119.81	103.69	111.62	76.00	69.75	72.06	24,135	
April 1958	.. 114.72	110.41	113.05	113.00	109.91	111.69	72.75	70.00	71.23	17,000	
May "	.. 114.75	107.06	111.82	113.50	106.06	109.59	72.75	70.25	71.93	18,400	
June "	.. 110.84	107.12	108.75	109.19	106.12	107.32	70.50	70.00	70.28	18,000	
July "	.. 108.87	104.19	106.18	108.25	103.69	105.71	70.75	69.75	70.19	22,500	
August "	.. 109.06	105.78	107.38	108.31	105.53	107.01	71.00	70.75	70.85	23,800	
September "	.. 108.69	106.37	107.54	108.50	106.59	107.56	71.00	70.75	70.88	27,500	
October "	.. 111.59	106.87	109.38	111.41	107.00	109.42	71.62	70.50	70.96	27,000	
November "	.. 115.06	110.37	112.79	114.87	110.37	112.58	73.25	71.75	72.89	23,250	
December "	.. 115.25	112.25	113.67	115.19	112.25	113.68	73.00	72.50	72.80	28,750	
January 1959	.. 118.91	114.75	116.92	118.66	114.81	116.84	74.62	72.75	73.37	31,400	
February "	.. 119.09	115.44	117.67	118.34	115.25	117.14	74.50	73.50	74.09	26,500	
March "	.. 120.50	118.50	119.54	119.81	116.56	118.21	76.00	74.25	75.24	24,500	

Note.—Import duty per tola (inclusive of a surcharge of 5 per cent) was Rs. 13.12 upto May 15, 1957 and Rs. 15 thereafter.

(a) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account.

(b) Average of closing quotations on working days.

(c) Figures relate to closing prices on working days.

(d) Average of week-end stocks.

## STATEMENT 51

PRICES<sup>(a)</sup> OF SILVER IN BOMBAY (ANNUAL AND MONTHLY)  
(Per 100 tolas)

		(Per 100 tolas)						Estimated Floating Stocks in Bombay (c) (in bars of 2,800 tolas)	
		Spot			Forward (b)				
		Highest Rs.	Lowest Rs.	Average (d) Rs.	Highest Rs.	Lowest Rs.	Average (d) Rs.		
1950-51	..	198.75	173.87	185.89	197.25	173.44	184.74	3,727	
1955-56	..	183.81	154.75	168.72	184.44	149.62	166.73	975	
1956-57	..	187.37	168.69	175.63	186.87	166.25	175.26	1,372	
1957-58	..	196.06	177.19	184.66	196.00	177.06	184.38	773	
1958-59	..	202.00	178.44	190.06	202.69	179.50	190.41	955	
April	1958	..	201.94	194.56	198.40	199.87	193.12	195.83	363
May	"	..	197.62	182.44	190.88	197.37	182.44	189.55	310
June	"	..	186.00	181.25	183.57	187.12	181.31	184.32	538
July	"	..	183.50	178.44	180.81	185.12	179.50	181.84	863
August	"	..	186.31	182.06	183.90	186.44	183.00	184.73	880
September	"	..	187.62	184.94	186.46	188.87	185.56	187.36	850
October	"	..	189.69	186.25	187.90	190.87	187.37	189.06	1,240
November	"	..	190.69	186.12	188.36	191.75	186.75	189.29	1,475
December	"	..	193.25	189.81	192.36	195.25	191.06	193.55	1,450
January	1959	..	196.75	192.72	194.57	197.87	193.19	195.47	1,440
February	"	..	196.25	192.62	194.70	197.44	193.25	195.36	1,250
March	"	..	202.00	193.81	198.49	202.69	194.31	198.24	788

Note.—Import duty per 100 tolas (inclusive of a surcharge of 5 per cent) was Rs. 9.84 upto May 2, 1956, Rs. 19.69 upto May 15, 1957 and Rs. 18.75 thereafter.

(a) Spot quotations for silver relate to .999 fineness for 1950-51, and thereafter to below .996 fineness.

(b) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account.

(c) Average of week-end stocks.

(d) Average of closing quotations on working days.

## STATEMENT 52

ASSAYING AND REFINING OF GOLD AND SILVER  
AT THE INDIA GOVERNMENT MINTS

				Melting and Assaying at			(Thousands of Tolas)
				Bombay	Alipore	Total	Refining <sup>(a)</sup> at Bombay
				GOLD			
1950-51	..	..	..	14	2,45 <sup>(b)</sup>	2,59	18,64
1955-56	..	..	..	10	10	20	10,42
1956-57	..	..	..	5	6	11	10,77
1957-58	..	..	..	11	1	12	9,63
1958-59	..	..	..	6	2	8	13,53
				SILVER			
1950-51	..	..	..	1,27	96,29 <sup>(b)</sup>	97,56	16,50
1955-56	..	..	..	3	45,35	45,38	17
1956-57	..	..	..	7	144,11	144,18	12
1957-58	..	..	..	5	130,66	130,71	7
1958-59	..	..	..	5	84,26	84,31	19

(a) The Calcutta and Alipore Mints did not undertake any refining work.

(b) Figures relate to the Calcutta Mint.

# STATEMENT 53

## BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

	(Crores of Rupees)					
	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60
	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Budget)	(Budget)
I. Revenue Account:						
A. Revenue (a)	...	405.86	481.19	563.23	673.38	690.77 (b)
B. Expenditure (c)	...	346.64	440.74	473.83	631.33	749.09
C. Surplus (+) or Deficit (-)	...	+ 59.22	+ 40.45	+ 89.40	+ 42.05	- 58.32
					684.02	639.53
					712.04	699.48
					- 28.02	- 59.95
II. Capital Account:						
A. Receipts (d)	...	104.45	280.95	302.75	290.00	947.52 (g)
B. Disbursements	...	182.59	470.92	616.78	835.45	1111.53
C. Surplus (+) or Deficit (-)	...	- 78.14	- 189.97	- 314.03	- 545.45	- 164.01
					679.35	675.92(f)
					850.54	873.47
					- 171.19	- 197.55
III. Miscellaneous (Net) (e)						
	...	+ 15.26	- 10.35	+ 39.88	+ 44.82	+ 0.89
					- 1.13	
IV. Overall Surplus (+) or Deficit (-):						
(IC+ IIC+ III)	...	- 3.66	- 159.87	- 184.75	- 458.58	- 221.44
					- 200.34	- 256.69
Financed by:						
A. Treasury bills (h) [increase (-)]	...	- 16.10	- 123.38	- 240.45	- 459.43	- 255.00
B. Cash balance [decrease (-)]	...	+ 12.44	- 36.49	+ 55.70	+ 0.85	- 222.00
(i) Opening balance	...	149.50	32.23	- 4.66	50.96	+ 0.56
(ii) Closing balance	...	161.94	- 4.26	51.04	51.81	50.12
					55.21	50.68

Note:—Accounts are provisional. budget estimates for 1959-60 relate to those presented to the Lok Sabha. (a) Excluding States' share of excise duties and other taxes; (b) Including the effect of budget proposals; (c) Excluding States' shares of excise duties and additional excise duties; (d) Excluding Treasury bill receipts; (e) Remittances and transfer of cash between England and India; (f) Excludes the conversion of *ad hoc* Treasury bills of Rs. 300 crores into 4 per cent Loan 1973 which was taken over by the Reserve Bank in July 1958 and is not intended to be placed on the market; (g) Includes sales of Treasury bills through public auction of Rs. 15 crores; (h) mostly sold to the Reserve Bank.

# STATEMENT 54

## CONSOLIDATED BUDGETARY POSITION OF STATES

(Crores of Rupees)								
		1951-52 (Accounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Accounts)	1958-59 (Budget) (Revised)		1959-60 (Budget)
<b>I Revenue Account</b>								
Revenue	...	...	...	...	...	...	...	...
Revenue	...	405.4	560.1	577.0	705.6	742.1	788.8	833.9
Expenditure	...	392.7	626.4	654.4	677.3	745.8	770.8	829.9
Surplus (+) or Deficit (—)	...	+12.7	—66.3	—77.4	+28.3	—3.7	+18.0	+4.0
<b>II Capital Account</b>								
Receipts	...	...	...	...	...	...	...	...
Receipts	...	163.6	385.8	469.7	390.5	428.8	461.9	484.8
Disbursements	...	188.7	369.8	454.1	414.5	436.1	494.9	495.3
Surplus (+) or Deficit (—)	...	—25.1	+16.0	+15.6	—24.0	—7.3	—33.0	—10.5
Miscellaneous (Net)	...	+1.6	—0.8	+0.9	—16.2	—3.6	+1.2	—0.6
<b>IV Increase (+) or Decrease (—) in Cash Balances (a)</b>								
Increase (+) or Decrease (—) in Cash	...	—10.8	—51.1	—60.9	—11.9	—14.5	—13.8	—7.1
(a) Opening Balance	...	61.5	92.1	41.0	25.5	—1.5	13.6	—0.2
(b) Closing Balance	...	50.7	41.0	—19.9	13.6	—16.0	—0.2	—7.3

*Note.*—This statement excludes the figures of the State of Jammu and Kashmir since till very recently the form of presentation of their budget differed much from that of the other States. The figures for the year 1951-52 do not include Part C States (*viz.* Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates respectively are used since later figures are not available. Budget estimates for 1956-57, 1958-59 and 1959-60 are before tax changes in respect of some States.

(a) Including overdraft.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 55 REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA (ON REVENUE ACCOUNT)

(ON REVENUE ACCOUNT)					(Crores of Rupee)	
	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60
	(Accounts)	(Accounts)	(Accounts)	(Accounts)	(Budget)	(Revised) (Budget)
REVENUE						
(1) Taxes on Income and Expenditure (i + ii + iii)	125.70	113.23	144.17	146.40	143.03	143.70
Taxes on Income other than Corporation Tax	132.73	131.35	151.74	163.70	161.50	162.50
Less : States' Share	47.52	55.16	58.75	73.43	76.97	75.80
(i) Net Receipts	85.21	76.19	92.99	90.27	84.53	86.70
(ii) Corporation Tax	40.49	37.04	51.18	56.13	55.50	56.00
(iii) Expenditure Tax	..	..	..	..	3.00	1.00
(2) Taxes on Property and Capital Transactions (i + ii + iii + iv + v)	3.81	2.55	2.41	10.61	18.16	15.34
Estate Duty	..	1.81	2.11	2.31	2.50	2.50
Less : States' Share	..	1.86	2.41	2.40	2.38	2.38
(i) Net Receipts	..	— 0.05	— 0.30	— 0.09	0.12	0.12
(ii) Taxes on Wealth	..	..	..	7.04	12.50	10.00
(iii) Gift Tax	..	..	..	..	2.00	1.20
(iv) Stamps and Registration	1.81	1.72	2.17	3.31	3.02	3.45
(v) Land Revenue	2.00	0.88	0.54	0.35	0.52	0.57
(3) Taxes on Commodities and Services (i + ii + iii + iv)	227.49	295.69	347.18	418.32	410.15	371.10
Customs :	..	..	..	..	..	..
Imports	107.70	127.98	140.52	150.94	140.57	112.57
Exports	47.36	37.76	28.67	26.83	26.33	21.73
Other Revenue	6.37	4.22	7.31	7.28	7.10	5.10
Less : Refunds	4.28	3.26	3.27	5.06	4.00	3.40
(i) Net Receipts	157.15	166.70	173.23	179.99	170.00	136.00
(ii) Union Excise Duties	67.54	145.25	190.43	273.62	304.76	301.15
Of which additional Excise Duties	..	..	..	(2.61)	(41.48)	(41.15)
Less : States' Share of Excise Duties including additional Excise Duties	..	16.57	18.22	40.22	68.97	72.99
(iii) Net Receipts	67.54	128.68	172.21	233.40	235.79	228.16
Tax on Railway Passenger Fares	..	..	..	3.68	9.22	11.00
Less : States' Share	..	..	..	4.41	9.15	10.89
(iv) Net Receipts	..	..	..	— 0.73	0.07	0.11
(v) Other Taxes and Duties	..	..	1.74	5.66	4.29	6.83
(4) Total Tax Revenue (1 + 2 + 3)	357.00	411.47	493.76	575.33	571.34	530.14
(5) Administrative Receipts	12.53	17.08	16.90	43.58	47.10	48.51
(6) Net Contributions of Public Undertakings	23.16	28.92	31.81	36.27	36.42	36.90
(i) Railways	6.50	5.80	5.86	6.29	7.04	6.40

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(ii) Posts and Telegraphs .. .. .	3.98	3.47	6.32	3.71	2.34	5.38	4.20
(iii) Currency and Mint .. .. .	9.71	19.75	19.44	26.04	28.12	25.63	45.78
(iv) Profits of the Reserve Bank of India .. .. .	(9.91)	(20.00)	(20.00)	(30.00)	(30.00)	(30.00)	(40.00)
(v) Others (b) .. .. .	2.97	-0.10	0.19	0.23	-1.08	-0.51	-1.07
(7) Other Revenue .. .. .	13.17	23.72	20.76	18.20	29.16	23.98	38.71
(8) Total Revenue (4 + 5 + 6 + 7) ..	405.86	481.19	563.23	673.38	684.02	639.53	690.77

## EXPENDITURE

(9) Direct Demands on Revenue (c) ..	10.24	12.51	14.45	16.56	18.99	20.10	21.42
(10) Civil Administration (d) .. ..	21.29	33.57	38.06	42.01	49.33	50.50	52.95
(11) Defence Services (Net) .. .. .	164.13	172.23	192.15	256.72	278.14	266.88	242.68
(12) Debt Services (e) .. .. .	37.36	43.14	39.06	42.08	40.00	42.06	57.88
(13) Pensions and Superannuation ..	6.99	8.97	8.96	9.24	9.40	9.52	9.63
(14) Extra-ordinary Charges (f) .. ..	0.07	—	—	—	14.00	1.00	15.00
(15) Miscellaneous (g) .. .. .	44.28	48.82	42.34	61.03	68.24	79.58	88.33
(16) Development Services (h) .. ..	39.50	82.41	108.09	154.14	183.97	179.50	209.23
(17) Contributions and Miscellaneous adjustments between Union and State Governments (i) .. .. .	15.59	35.87	28.26	45.90	47.03	46.95	49.02
(18) Other Expenditure (j) .. .. .	7.19	3.22	2.46	3.65	2.94	3.39	2.95
(19) Total Expenditure .. .. .	346.64	440.74	473.83	631.33	712.04	699.48	749.09
Surplus (+) or Deficit (—) .. ..	+59.22	+40.45	+89.40	+42.05	-28.02	-59.95	-58.32(a)

Note:— The figures of total revenue and expenditure as given in this Statement differ from those in the Budget papers as receipts from forests, opium and currency and mint are shown on a net basis and States' share of Union excise duties and additional duties of excise are excluded. Accounts are provisional. Budget estimates for 1959-60 relate to those presented to the Lok Sabha. Account is not taken of concessions subsequently announced.

(a) Including effect of budget proposals. (b) Excludes forests and opium and States' share of Union excise duties and additional excise duties electricity and road and water transport schemes. (c) Excludes forests and opium and States' share of Union excise duties and additional excise duties (d) Comprises General Administration, Audit, Administration of Justice, Jails, Police, Tribal Areas and External Affairs. (e) Include appropriation for reduction or avoidance of debt. (f) Include provision for grants to States for G. M. F. Schemes, relief in natural calamities, etc. From 1954-55, these items are transferred to miscellaneous expenditure under appropriate ministries. Since 1957-58, it includes provision for transfer to the Special Development Fund of grants received under P. L. 480. (g) Comprises grants to educational institutions and certain items of developmental expenditure. (h) Comprise irrigation and multi-purpose river schemes, ports and pilotage, lighthouses and lightships, scientific departments, education, medical, public health, agriculture, rural development, veterinary, co-operation, industries and supplies, aviation, broad-casting, civil works, post-war reconstruction and electricity schemes, community development projects, national extension service and miscellaneous departments. (i) Include grants-in-aid to States. (j) Comprises famine, stationery and printing, civil defence and pre-partition payments.

# STATEMENT 56

## REVENUE FROM UNION EXCISE DUTIES

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Commodity	(Lakhs of Rupees)					
	1950-51 (Accounts)	1955-56 (Accounts)	1956-57 (Accounts)	1957-58 (Accounts)	1958-59 (Revised)	1959-60 (Budget) (a)
	1.	2.	3.	4.	5.	6.
<b>Basic Duties:</b>						
Motor Spirit	2,08	23,05	25,23	30,85	32,29	33,25
Kerosene	28	2,43	3,29	3,06	4,20	5,08
Sugar	6,46	18,58	20,88	42,75	46,00	47,82
Matches	8,07	10,08	10,05	15,08	17,70	18,00
Steel Ingots	54	69	64	6,25	7,00	8,00
Tyres and Tubes	4,04	5,53	6,15	3,87	6,80	8,55
Tobacco	31,99	36,46	38,43	45,49	41,91	43,49
Vegetable Products	2,19	3,82	4,35	3,92	3,96	4,91
Coffee	1,17	93	1,20	1,32	1,20	1,20
Tea	3,36	3,17	3,19	3,86	6,20	7,38
Cotton Cloth	9,26	28,18	51,86	64,60	42,66	42,66
Artificial Silk		2,18	1,03	1,69	80	1,80
Cement		2,22	2,55	11,17	13,83	14,03
Footwear		84	99	97	1,05	1,05
Soap		1,55	1,85	1,76	1,85	1,85
Wollen Fabrics		53	61	61	62	62
Electric Fans		27	32	46	48	48
Electric Bulbs		25	28	30	30	30

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Electric Batteries	...	...	...	...	73	89	80	85	85
Paper	...	...	...	...	2,68	3,27	5,39	6,50	6,80
Paints and Varnishes	...	...	...	...	1,01	1,17	1,20	1,22	1,30
Vegetable non-essential Oils	...	...	...	...	29	5,30	9,80	8,60	13,20
Refined Diesel Oils and Vapourising oils	...	...	...	...	16	2,53	7,01	8,74	17,25
Industrial Fuel Oils	...	...	...	...	47	3,03	3,24	4,45	4,61
Rayon and Synthetic fibres and yarn	...	...	...	...	—	7	29	1,32	1,93
Motor Cars	...	...	...	...	—	5	32	16	23
Coal Cess	...	...	...	...	1,62	2,18	2,68	3,00	3,25
Cess on Copra	...	...	...	...	—	—	12	7	7
Cess on oils and oilseeds	...	...	...	...	—	15	91	23	23
Miscellaneous	...	...	...	...	44	76	4,74	51	51
<b>Total-Gross Revenue</b>	...	...	...	...	<b>71,50</b>	<b>1,49,24</b>	<b>2,74,51</b>	<b>2,64,50</b>	<b>2,90,70</b>
Less: Refunds and Drawbacks	...	...	...	...	— 3,96	— 3,99	— 3,50	— 4,50	— 4,50
<b>Total-Net Revenue</b>	...	...	...	...	<b>67,54</b>	<b>1,45,25</b>	<b>2,71,01</b>	<b>2,60,00</b>	<b>2,86,20</b>
<b>Additional Duties:</b>									
Sugar	...	...	...	...	...	...	...	12,86	13,11
Textiles	...	...	...	...	...	...	...	21,19	21,39
Tobacco	...	...	...	...	...	...	...	7,10	7,10
<b>Total</b>	...	...	...	...	...	—	2,61	41,15	41,60
<b>Grand Total-Union Excise Duties</b>	...	...	...	...	<b>67,54</b>	<b>1,45,25</b>	<b>2,73,62</b>	<b>3,01,15</b>	<b>3,27,80</b>
States share of Excise Duties	...	...	...	...	—	16,57	40,22	72,99	75,12
<b>Net Receipts</b>	...	...	...	...	<b>67,54</b>	<b>1,28,68</b>	<b>2,33,40</b>	<b>2,28,16</b>	<b>2,52,68</b>

(a) Taking into account the effect of tax proposals.

## STATEMENT 57

## CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

CAPITAL BUDGET OF THE GOVERNMENT OF INDIA							(Crores of Rupees)		
							1958-59		1959-60
							(Budget)	(Revised)	(Budget)
RECEIPTS									
		1950-51 (Accounts)	1955-56 (Accounts)	1956-57 (Accounts)	1957-58 (Accounts)				
Loans—									
Internal(a)	..	..	30.34	103.68	157.73	136.17	145.00	227.41(f)	240.00(h)
External	..	..	7.75	2.67	10.84	32.47	284.76	238.36	299.77
Special Floating Loan	..	..	—	—	—	—	—	—	95.24
Inter-State Debt Settlement	..	..	—	0.78	1.55	—	—	0.04	—
Treasury Deposit Receipts(b)	..	..	— 7.13	—	—	—	—	—	—
Small Savings(b)	..	..	28.05	66.51	58.95	69.46	100.00	75.00	85.00
Other Unfunded Debt(b)	..	..	8.30	16.89	18.84	20.40	19.53	17.48	21.38
Railway Funds(b)	..	..	17.55	6.92	6.31	—24.43	—28.44	—39.74	—17.54
Other Reserve Funds(b)	..	..	0.16	1.02	0.79	1.12	— 0.20	—0.19	1.00
Appropriation for Reduction or Avoidance of Debt	..	..	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Deposits under Income-Tax Act	..	..	—33.21	— 1.33	— 2.83	3.22	6.83	— 4.14	— 0.11
Repayment of Loans by States	..	..	8.08	25.22	34.60	61.40	62.22	78.96	95.37
Special Development Fund(c)	..	..	—	40.50	30.73	32.83	117.21	53.90	107.70
Contingency Fund	..	..	15.00	—	—	—	—	2.00	—
Other Items(d)	..	..	19.09	13.09	—19.76	—40.02	—32.56	21.84	14.71
Total Receipts (excluding Treasury Bills)			104.45	280.95	302.75	297.62	679.35	675.92	947.52

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Currency, Mint and Security Printing Press	3.26	8.76	— 0.25	0.44	1.26	4.12	99.22(e)
Others (g)	15.01	3.67	19.87	24.65	91.80	24.84	61.93
<b>Total—Non-Developmental ..</b>	<b>13.63</b>	<b>-8.58</b>	<b>41.62</b>	<b>85.18</b>	<b>97.75</b>	<b>47.29</b>	<b>221.98</b>
<b>Developmental :</b>							
Railways ..	25.41	67.52	107.38	151.90	138.84	120.88	121.81
Posts and Telegraphs ..	7.07	9.03	9.59	10.83	10.82	11.17	15.45
Civil Aviation ..	1.82	1.95	2.47	2.55	3.29	2.24	4.38
Irrigation and Multi-purpose River Schemes ..	2.56	2.98	2.53	3.42	4.41	3.60	3.37
Civil Works ..	9.11	24.55	23.34	18.02	21.73	24.23	25.77
Industrial Development ..	8.90	11.07	66.34	147.57	193.09	188.66	54.28
Other Heads (i) ..	2.53	18.84	21.24	14.10	21.42	16.09	30.49
<b>Total—Developmental ..</b>	<b>57.40</b>	<b>135.94</b>	<b>232.89</b>	<b>348.39</b>	<b>393.60</b>	<b>366.87</b>	<b>255.55</b>
<b>Total Capital Outlay ..</b>	<b>71.03</b>	<b>127.36</b>	<b>274.51</b>	<b>433.57</b>	<b>491.35</b>	<b>414.16</b>	<b>477.53</b>
<b>Discharge of Permanent Debt—</b>							
Internal ..	41.74	69.04	79.96	67.39	20.00	21.50	117.47
External ..	4.11	3.22	3.21	7.21	8.00	7.47	9.37
Discharge of Special Floating Debt ..	—	—	—	4.80	3.43	3.37	3.43
Inter-State Debt Settlement ..	—	0.68	0.16	1.45	0.12	0.12	—
Advances to States ..	61.46	241.24	202.03	283.60	281.34	302.22	292.58
Advances to States from Special Development Fund ..	—	5.47	7.50	{		24.29	20.11
Other Loans and Advances(b) ..	4.25	23.91	49.41			43.13	191.04
<b>Total Disbursements ..</b>	<b>182.59</b>	<b>470.92</b>	<b>616.78</b>	<b>843.07</b>	<b>850.54</b>	<b>873.47</b>	<b>1,111.53</b>
<b>Surplus (+) or Deficit (—)</b>	<b>— 7.14</b>	<b>-159.97</b>	<b>-314.03</b>	<b>-545.45</b>	<b>-171.19</b>	<b>-197.55</b>	<b>-164.01</b>

Notes:—(1) Figures of receipts and disbursements given in this statement do not tally with those in the budget papers as certain adjustments have been made here. (2) Receipts and disbursements for 1958-59 (B.E.), 1958-59 (R.E.) and 1959-60 (B.E.) include a formal adjusting item amounting respectively to Rs. 78 crores, Rs. 19 crores and Rs. 57 crores in respect of loan assistance from the U.S. Government which is transferred to Special Development Fund by debit to capital. (3) Treasury bill receipts and miscellaneous items such as remittances, etc. have been excluded from the statement. (4) Excluding 15-year annuity certificates which are included under small savings. (5) Figures are net. (6) Receipts comprise the sale proceeds of (i) American (Loan) Wheat, (2) wheat received under Colombo Plan and (3) assistance (i) the Colombo Plan and (ii) Indo-U.S. Technical Assistance Agreement and other aid. (d) Residual item. (e) Includes the additional contribution of Rs. 95.24 crores to the I.M.F. (f) Excludes the conversion of *ad hoc* Treasury bills of Rs. 300 crores into 4 per cent Loan, 1973 which was taken over by the Reserve Bank in July 1958 and is not intended to be placed on the market, but includes sales of Treasury bills to the public of Rs. 25 crores (g) Includes transfer of sale proceeds of American (Loan) Wheat, contingency fund, and payments to displaced persons. (h) Includes sales of Treasury bills to the public of Rs. 15 crores. (i) Include Ports, grant to States for development purposes, etc.

# STATEMENT 58

## BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS (ON REVENUE ACCOUNT)

States	REVENUE					EXPENDITURE					(Lakhs of Rupees)	
	Tax Revenue					Non-Tax Revenue (d)	Total Revenue	Non-Development Expenditure (e)	Development Expenditure (f)	Total Expenditure		Surplus (+) or Deficit (-)
	Taxes on Income (a)	Taxes on Property and Capital Transactions (b)	Taxes on Commodi- ties and Services (c)	Total Tax Revenue								
1	2	3	4	5	6	7	8	9	10			
<b>Andhra Pradesh</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	5.96	12.10	23.79	41.85	19.43	61.28	20.47	33.59	54.06	+ 7.22		
1959-60 (Budget)	6.18	11.98	27.03	45.19	21.72	66.91	20.98	42.50	63.48	+ 3.43		
	6.40	12.89	27.10	46.39	23.51	69.90	22.18	48.09	70.27	- 3.37		
<b>Assam</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	4.12	2.90	8.95	15.97	12.59	28.56	10.68	16.88	27.56	+ 1.00		
1959-60 (Budget)	4.43	2.98	9.57	16.98	13.76	30.74	10.04	18.77	28.81	+ 1.93		
	4.27	3.13	9.75	17.15	15.94	33.09	10.19	19.49	29.68	+ 3.41		
<b>Bihar</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	7.43	8.63	17.08	33.14	15.57	48.71	22.23	36.44	58.67	- 9.96		
1959-60 (Budget)	7.63	14.32	18.59	40.54	20.57	61.11	29.91	32.12	62.03	- 9.92		
	7.90	14.98	21.42	44.30	26.44	70.74	26.71	38.50	65.21	- 5.53		
<b>Bombay</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	11.70	23.02	58.30	93.02	33.50	126.52	60.27	54.18	114.45	+ 12.07		
1959-60 (Budget)	12.12	21.66	61.92	95.70	34.20	129.90	66.74	62.72	129.46	+ 4.44		
	12.56	21.30	62.63	96.49	38.04	134.53	66.17	69.34	135.51	- 9.98		
<b>Kerala</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	4.53	2.79	10.29	17.61	9.86	27.47	9.17	19.71	28.88	- 1.41		
1959-60 (Budget)	4.31	3.27	12.01	19.59	14.89	34.48	10.35	24.42	34.77	- 2.99		
	4.49	3.36	12.72	20.57	16.72	37.29	10.87	27.20	38.07	- 7.8		
<b>Madhya Pradesh</b>												
1957-58 (Accounts)	..	..	..	..	..	..	..	..	..	..		
1958-59 (Revised)	4.98	10.16	14.27	29.41	20.84	50.25	20.57	27.86	48.43	+ 1.82		
1959-60 (Budget)	5.14	10.06	16.33	31.53	24.91	56.44	22.53	30.41	52.94	+ 3.50		
	5.34	11.81	16.75	33.90	22.59	56.49	22.63	32.93	55.56	- 9.3		





# STATEMENT 59

## REVENUE AND EXPENDITURE OF STATES

### (ON REVENUE ACCOUNT)

Tax Revenue	1951-52 (Accounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Accounts)	1958-59		(Lakhs of Rupees)
					(Budget)	(Revised)	
					REVENUE		
Taxes on Income							
Share of Income-tax	57.05	61.12	59.33	80.61	83.83	83.11	85.78
Agricultural Income-tax	52.65	55.27	53.51	72.57	75.50	74.87	77.39
Profession Tax	4.33	5.74	5.73	7.80	8.05	7.97	8.11
	7	11	9	24	28	27	28
Taxes on Property and Capital Transactions							
Estate Duty	75.40	1,12.39	1,26.88	1,24.84	1,32.19	1,31.10	1,39.90
Land Revenue		1.94	2.38	2.38	2.42	2.51	2.52
Stamps and Registration	47.99	80.33	92.66	87.33	96.09	92.81	1,00.45
Urban Immovable Property Tax	25.56	28.11	29.90	32.94	31.45	33.51	34.61
	1.85	2.01	1.94	2.19	2.23	2.27	2.32
Taxes on Commodities and Services							
Union Excise	1,48.60	1,76.02	1,80.52	2,64.06	2,61.65	2,99.92	3,05.34
State Excise	70	16.60	17.04	39.57	67.40	73.22	72.72
General Sales Tax	49.41	43.49	42.76	45.73	42.56	45.37	43.82
Sales Tax on Motor Spirit	54.40	68.28	70.66	1,07.37	75.46	97.69	1,00.84
Entertainment Tax	4.53	8.30	8.73	9.75	11.32	12.39	12.51
Electricity Duties	6.39	6.50	6.53	8.52	8.36	9.41	9.66
Motor Vehicles Taxes	3.39	5.63	5.81	7.15	7.53	9.55	9.39
Tax on Railway Fares	10.09	14.39	14.98	21.08	19.60	23.05	24.55
Other Taxes and Duties (a)	19.69	12.83	14.01	4.81	9.61	10.72	10.87
Total Tax Revenue	2,81.05	3,49.53	3,66.73	4,69.51	4,77.67	5,14.13	5,31.02
Non-Tax Revenue							
Administrative Receipts (b)	38.13	60.44	66.70	81.02	99.40	1,00.45	1,19.75
Net Contribution of Public Enterprises							
Forests	24.92	30.07	34.88	41.27	39.46	35.73	39.89
Irrigation (c)	12.61	12.82	11.99	22.71	17.61	19.97	19.64
Electricity Schemes	8.03	8.51	10.90	7.45	13.10	8.97	12.44
Road and Water Transport	3.41	5.96	7.66	6.31	4.27	3.28	3.28
Industries and Others	77	2.03	3.51	4.74	2.84	4.01	1.88
	10	75	82	6	1.64	—50	5.48
Other Revenue (d)	35.94	52.48	43.57	42.76	45.57	49.43	53.66
Grants-in-aid and other Contributions	25.36	67.61	65.10	71.06	79.96	89.03	89.56
Total Non-Tax Revenue	1,24.35	2,10.60	2,10.25	2,36.11	2,64.39	2,74.64	3,02.86
Total Revenue	4,05.41	5,60.13	5,76.98	7,05.62	7,42.06	7,88.77	8,33.88

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## EXPENDITURE

### Development Expenditure

Education .. .. .	60.30	1,05.04	1,19.93	1,29.18	1,42.78	1,45.78	1,58.33
Medical and Public Health .. .. .	29.22	48.83	54.27	51.02	60.65	59.77	70.98
Agriculture, Veterinary and Co-operation .. .. .	25.90	42.31	46.66	45.91	56.29	55.00	63.84
Irrigation .. .. .	17.62	25.02	22.93	23.27	23.21	25.31	26.43
Electricity Schemes .. .. .	4.61	7.10	9.14	8.61	7.82	7.15	4.74
Rural and Community Development Projects .. .. .	82	30.51	32.97	31.11	36.91	38.16	37.66
Civil Works .. .. .	40.93	70.67	59.92	49.37	50.34	52.07	58.57
Industries and Supplies .. .. .	5.81	10.67	19.77	15.31	22.08	18.92	22.75
Other Expenditure (e) .. .. .	11.00	16.31	21.56	27.95	34.16	34.27	37.66
<b>Total Development Expenditure .. .. .</b>	<b>1,96.21</b>	<b>3,56.46</b>	<b>3,87.15</b>	<b>3,81.73</b>	<b>4,34.24</b>	<b>4,36.43</b>	<b>4,80.96</b>

### Non-Development Expenditure

Direct Demands on Revenue (f) .. .. .	26.94	43.50	55.81	52.96	54.17	57.29	61.34
Debt Services (g) .. .. .	8.49	18.84	23.08	37.15	46.86	48.74	62.00
Civil Administration (h) .. .. .	1,06.65	1,24.50	1,28.04	1,37.25	1,36.35	1,41.10	1,44.97
Miscellaneous (i) .. .. .	17.53	27.57	26.18	28.71	32.28	33.70	37.12
Famine .. .. .	3.99	18.31	3.49	9.94	9.84	19.95	9.94
Other Expenditure(j) .. .. .	32.87	32.25	30.64	29.61	32.01	33.57	33.56
<b>Total Non-Development Expenditure .. .. .</b>	<b>1,96.47</b>	<b>2,69.97</b>	<b>2,67.24</b>	<b>2,95.62</b>	<b>3,11.51</b>	<b>3,34.35</b>	<b>3,48.93</b>
<b>Total Expenditure .. .. .</b>	<b>3,92.68</b>	<b>6,26.43</b>	<b>6,54.39</b>	<b>6,77.35</b>	<b>7,45.75</b>	<b>7,70.78</b>	<b>8,29.89</b>
<b>Surplus (+) or Deficit (—) .. .. .</b>	<b>—12.73</b>	<b>—66.30</b>	<b>—77.47</b>	<b>+23.27</b>	<b>—3.69</b>	<b>+17.99</b>	<b>+3.99</b>

*Note.*— Figures given here would differ from those in the Budget papers as certain adjustments have been made to ensure uniformity in presentation. This statement excludes the figures of the State of Jammu and Kashmir since till very recently the form of presentation of their budget differed much from that of other States. For 1955-56 and 1956-57, revised and budget estimates respectively are used since later figures are not available. Budget estimates for 1956-57 are before tax changes. Budget estimates for 1958-59 are after tax changes except in the case of Bombay, Kerala and Punjab. Budget estimates for 1959-60 are before tax changes except in the case of Rajasthan and Uttar Pradesh. The figures for the years from 1957-58 onwards relate to the reorganised States.

(a) Include sugar cane cess, tax on passengers and goods, tobacco duties, taxes on prize competitions and betting, inter-State transit duties, tax on raw jute etc. (b) Include receipts from civil works. (c) Irrigation works for which capital accounts are not kept are taken on gross basis. (d) Comprises receipts on account of debt services, stationery and printing, miscellaneous receipts and transfers from reserve funds. (e) Includes expenditure on miscellaneous and scientific departments, aviation and ports and pilotage. (f) Exclude forests. (g) Include appropriation for reduction or avoidance of debt. (h) Comprises general administration, administration of justice, jails and convict settlements and police. (i) Covers expenditure on displaced persons, grants and other contributions to local bodies and private parties, irrecoverable loans and advances, advanced technical training, scholarships etc. (j) Includes pensions, stationery and printing, extraordinary charges and transfers to funds.

## STATEMENT 60

## CAPITAL BUDGET OF STATES

	1951-52 (Accounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Accounts)	1958-59 (Lakhs of Rupees) (Budget) (Revised)		1959-60 (Budget)
<b>A. RECEIPTS</b>							
Permanent Debt .. .. .	11,81	78,22	84,38	25,89	53,15	78,45	72,50
Floating Debt(a) .. .. .	3,75	— 2,01	2,32	12,59	42	— 7,03	1,15
Loans from the Centre .. .. .	73,96	299,89	316,12	274,18	282,57	314,15	301,96
Other Loans(b) .. .. .	—	—	—	6,33	591	16,98	11,09
Unfunded Debt(a) .. .. .	2,57	6,94	8,14	8,11	9,99	4,52	8,86
Loans and Advances repaid to State Governments .. .. .	24,33	28,97	35,40	43,92	44,51	44,57	46,50
Deposits and Advances and other items(a)(c) .. .. .	47,17	— 26,21	23,31	19,50	32,25	10,25	42,74
<b>Total Receipts .. .. .</b>	<b>163,59</b>	<b>385,80</b>	<b>469,67</b>	<b>390,52</b>	<b>428,80</b>	<b>461,89</b>	<b>484,80</b>
<b>B. DISBURSEMENTS</b>							
<b>Capital Outlay:</b>							
<b>Development—</b>							
Multi-Purpose River Valley Schemes .. .. .	27,59	66,80	64,63	61,79	62,47	65,87	55,76
Irrigation and Navigation .. .. .	24,00	71,88	84,86	61,48	60,88	61,96	78,51
Schemes of Agricultural Improvement and Research .. .. .	12	4,50	2,95	4,60	6,59	7,05	6,43
Electricity Schemes .. .. .	19,94	47,92	61,25	37,80	30,15	26,88	26,90
Road Transport .. .. .	1,63	2,94	3,49	2,63	2,28	3,25	2,92
Buildings, Roads and Water Works .. .. .	21,04	39,48	80,23	62,76	82,17	85,27	92,08
Industrial Development .. .. .	5,81	7,84	17,13	12,23	15,52	15,86	15,13
Others .. .. .	16	1,37	1,38	66	1,70	1,31	2,03
<b>Total Development .. .. .</b>	<b>100,29</b>	<b>242,73</b>	<b>315,92</b>	<b>243,95</b>	<b>261,76</b>	<b>267,45</b>	<b>279,76</b>
<b>Non-Development:</b>							
State Trading .. .. .	25,09	— 14,48	— 4,66	15,85	— 4,57	4,17	— 1,64
Compensation to Land-holders on the abolition of Zamindari .. .. .	2,03	3,32	0,17	4,46	8,31	7,65	11,96
Other Financial Transactions .. .. .	16	— 2	29	1	23	18	20
<b>Total Non-Development .. .. .</b>	<b>27,28</b>	<b>— 11,18</b>	<b>1,80</b>	<b>20,32</b>	<b>3,97</b>	<b>12,00</b>	<b>10,52</b>
<b>Total Capital Outlay .. .. .</b>	<b>127,57</b>	<b>231,56</b>	<b>317,72</b>	<b>264,27</b>	<b>265,73</b>	<b>279,45</b>	<b>290,28</b>
Discharge of Permanent Debt .. .. .	1,01	7,84	8,20	7,18	13,45	13,48	7,67
Repayments of Loans to the Centre .. .. .	11,37	22,96	28,63	56,98	53,80	76,33	67,74
Other Loans(b) .. .. .	—	—	—	7	—	24	1,18
Loans and Advances by State Governments .. .. .	48,77	107,39	99,51	86,00	103,07	125,36	128,44
<b>Total Disbursements .. .. .</b>	<b>188,72</b>	<b>369,75</b>	<b>454,06</b>	<b>414,50</b>	<b>436,05</b>	<b>494,86</b>	<b>495,31</b>
<b>C. Surplus (+) or Deficit(—) (A—B) .. .. .</b>	<b>— 25,13</b>	<b>+ 16,05</b>	<b>+ 15,61</b>	<b>— 23,98</b>	<b>— 7,25</b>	<b>— 32,97</b>	<b>— 10,51</b>

Note:—This Statement excludes the figures of the State of Jammu and Kashmir, since till very recently the form of presentation of their budgets differed much from that of other States. The figures for the year 1951-52 do not include Part C States (viz., Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had Capital budgets only from 1954-55. For 1955-56 and 1956-57, revised and budget estimates respectively are used since later figures are not available. The figures from 1957-58 onwards relate to the re-organised States.

(a) Figures are net. (b) This is a new item included from 1957-58 to show loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development and Warehousing Board, loans from Khadi & Village Industries Board, Employees' State Insurance Corporation etc. (c) Including contingency fund transactions.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 61

### RAILWAY FINANCES

(Crores of Rupees)

	1950-51 Accounts	1955-56 Accounts	1956-57 Accounts	1957-58 Accounts	1958-59		1959-60 Budget
					Budget	Revised	
<b>I. Capital-at-charge ..</b>	<b>827.04</b>	<b>968.98</b>	<b>1,071.71</b>	<b>1,222.44</b>	<b>1,347.97</b>	<b>1,350.86</b>	<b>1,472.67</b>
<b>II. Gross Traffic Receipts..</b>	<b>263.01</b>	<b>316.29</b>	<b>347.57</b>	<b>379.78</b>	<b>407.48</b>	<b>394.38</b>	<b>422.03</b>
(a) Passenger ..	97.84	107.71	116.33	119.10	124.73	116.30	118.30
(b) Other Coaching ..	16.64	20.87	21.09	24.23	24.65	24.45	24.00
(c) Goods ..	143.01	180.28	203.96	229.67	250.50	245.83	272.58
(d) Other Earnings* ..	5.52	7.43	6.19	6.78	7.60	7.80	7.15
<b>III. Total Expenses (1 + 2 + 3 + 4) ..</b>	<b>215.45</b>	<b>265.95</b>	<b>289.19</b>	<b>321.99</b>	<b>330.56</b>	<b>331.35</b>	<b>346.44</b>
<b>1. Ordinary Working Expenses ..</b>	<b>180.23</b>	<b>212.95</b>	<b>233.94</b>	<b>264.17</b>	<b>268.35</b>	<b>274.22</b>	<b>283.71</b>
Administrative ..	23.36	31.52	34.74	32.17	32.69	34.50	35.42
Repairs and Maintenance ..	57.11	78.67	86.00	90.62	90.37	90.50	92.76
Operating Staff ..	35.41	49.73	52.80	53.82	56.71	56.91	58.01
Operation (fuel) ..	30.72	23.58	27.28	48.03	49.55	52.09	54.88
Operation (other than staff and fuel)	13.35	10.19	10.65	14.86	13.92	15.09	15.68
Miscellaneous ..	19.39	14.97	16.47	18.29	17.66	19.21	18.93
Labour Welfare ..	3.19	5.03	5.83	6.96	7.67	8.10	9.01
Suspense ..	-2.30	-0.74	0.17	-0.58	-0.22	-2.18	1.03
<b>2. Depreciation ..</b>	<b>30.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
<b>3. Payments to Worked Lines ..</b>	<b>0.25</b>	<b>0.26</b>	<b>0.33</b>	<b>0.26</b>	<b>0.22</b>	<b>0.10</b>	<b>0.11</b>
<b>4. Miscellaneous Expenses ..</b>	<b>4.97</b>	<b>7.74</b>	<b>9.92</b>	<b>12.56</b>	<b>16.99</b>	<b>12.03</b>	<b>17.62</b>
(i) Open Line Works ..	3.93	5.97	8.05	10.42	14.91	12.27	15.00
(ii) Others (net) ..	1.04	1.77	1.87	2.14	2.08	-0.24	2.62
<b>IV. Net Revenue (II-III) ..</b>	<b>47.56</b>	<b>50.34</b>	<b>58.38</b>	<b>57.78</b>	<b>76.92</b>	<b>63.03</b>	<b>75.60</b>
<b>V. Dividend to General Revenues ..</b>	<b>32.51</b>	<b>36.12</b>	<b>38.16</b>	<b>44.40</b>	<b>49.58</b>	<b>50.03</b>	<b>54.41</b>
<b>VI. Surplus (IV-V) ..</b>	<b>15.05</b>	<b>14.22</b>	<b>20.22</b>	<b>13.38</b>	<b>27.34</b>	<b>13.00</b>	<b>21.19</b>
<b>VII. Appropriation to :-</b>							
(a) Development Fund ..	10.00	7.08	20.22	13.38	27.34	13.00	21.19
(b) Revenue Reserve Fund ..	5.05	7.14	—	—	—	—	—

Include Suspense.

## STATEMENT 62

INTEREST-BEARING OBLIGATIONS AND INTEREST-YIELDING ASSETS OF THE  
GOVERNMENT OF INDIA

(Crores of Rupees)

				Outstanding at the end of					
				1950-51 Revised Estimate	1955-56 Revised Estimate	1956-57 Revised Estimate	1957-58 Revised Estimate	1958-59 Revised Estimate	1959-60 Budget Estimate
<b>I. Interest-Bearing Obligations</b>									
<i>In India</i>									
1	Loans	..	..	1,438.46	1,509.61	1,588.45	1,701.25	2,183.80	2,292.25
2	Treasury Bills, Ways and Means advances and Treasury Deposit receipts	..	..	373.20	711.87	865.25	1,215.70	1,275.12	1,535.12
3	Small Savings	..	..	326.25	574.41	638.20	692.95	776.62	860.62
4	Depreciation and Reserve Funds.	..	..	155.56	186.76	215.41	166.68	113.61	97.07
5	Others	..	..	207.26	188.17	206.79	228.08	243.74	288.73
6	Total	..	..	2,500.73	3,170.82	3,514.10	4,004.66	4,592.89	5,073.79
<i>In England</i>									
7	Loans	..	..	1.35	0.59	0.56	0.55	22.12	58.11
8	Others	..	..	34.82	22.61	21.69	21.77	8.67	13.33
9	Total	..	..	36.17	23.20	22.25	22.32	30.79	71.44
10	Dollar loans	..	..	24.60	117.57	132.95	159.85	262.31	430.87
11	Loans from U.S.S.R.	..	..	—	—	6.83	15.30	40.89	61.34
12	Loans from Germany	..	..	—	—	—	14.00	35.71	64.66
13	Loans from other Foreign Sources	..	..	—	—	—	—	1.00	32.79
14	Total Interest-Bearing Obligations	..	..	2,561.50	3,311.59	3,676.13	4,216.13	4,963.59	5,734.89
<b>II. Interest-Yielding Assets</b>									
15	Capital advanced to Railways	..	..	814.13	973.66	1,072.79	1,215.70	1,343.31	1,465.12
16	Capital advanced to other Commercial Departments	..	..	90.11	112.08	150.19	164.88	186.49	209.37
17	Investment in Commercial Concerns	..	..	—	56.02	1,36.04	274.39	416.71	461.00
18	Capital advanced to States and other Interest-Bearing Loans	..	..	216.97	959.13	1,187.30	1,384.51	1,731.81	2,118.56
19	Debt due from Burma and Pakistan	..	..	348.15	300.00(a)	300.00(a)	300.00(a)	300.00(a)	300.00(a)
20	Deposits with the U.K. Govern- ment for redemption of Railway Annuities	..	..	10.96	1.99	1.07	0.48	—	—
21	Purchase of Annuities for Sterling Pensions	..	..	200.89	65.41	59.50	55.91	20.64	20.03
22	Total Interest-Yielding Assets	..	..	1,681.21	2,468.29	2,906.89	3,395.87	3,998.96	4,574.08
23	Cash and Securities held on Treasury Account	..	..	1,41.97	50.33	50.41	50.75	57.61	55.76
24	Balance of total Interest-Bearing Obligations not covered by above Assets	..	..	738.32	792.97	718.83	769.51	907.02	1,105.05

Note.—Figures given in this Statement are only estimates (revised or budget); hence data in respect of Loans, Treasury bills, Small Savings and Capital advanced to Railways differ from those given in Statements 63, 64 and 71, 69 and 61, respectively, where latest figures have been given.

(a) Due from Pakistan only.

## STATEMENT 63

### DEBT POSITION OF THE GOVERNMENT OF INDIA

End of March	Market-able Rupee Loans	Percent- age to Total	Treasury Bills	Percent- age to Total	Small Savings(a)	Percent- age to Total	Other Obliga- tions(b)	Percent- age to Total	Total	Percent- age increase (+) or decrease (-)	(Crores of Rupees)	
											Total	External Debt
1951	..	1,438.46	58.2	364.72(c)	14.8	326.25	13.2	342.81	13.9	2,472.24	49.81	24.60
1956	..	1,508.67	49.2	595.25	19.4	572.96	18.7	390.29	12.7	3,067.17	138.81	117.57
1957	..	1,633.61(d)	46.6	835.70	23.8	631.95	18.0	406.55	11.6	3,507.81	160.98	132.95
1958	..	1,699.50(d)	41.3	1,295.12	31.5	700.67	17.0	422.37	10.3	4,117.66	211.02	159.85
1959	..	2,180.96(d)(e)	47.3	1,225.32	26.5	771.67	16.7	437.20	9.5	4,615.15	391.35	262.31

Note :— Figures are provisional, excepting those of rupee loans and Treasury bills.

(a) Inclusive of Indian Union's share of pre-partition liabilities. (b) Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balances of special loans, (3) balances of State Provident Fund and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund etc. and (4) unclaimed balances in respect of Three-Year Interest-Free Bonds and Five-Year Interest-Free Prize Bonds. (c) Including Treasury Deposit Receipts. (d) Including Hyderabad State loans the liability for which was taken over by the Central Government under Section 82(1) of the States Reorganisation Act, 1956. (e) Includes a special issue of the 4 per cent loan, 1973 for Rs. 300 crores created in July 1958, which was wholly taken over by the Reserve Bank of India against cancellation of *ad hoc* Treasury bills and held in the Issue Department as cover against note issue. This amount has been correspondingly excluded from Treasury bills.

## STATEMENT 64

### MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS (a)

End of March	Undated	Percent- age to Total	Over 10 years	Percent- age to Total	Between 5 and 10 years	Percent- age to Total	Under 5 years	Percent- age to Total	(Crores of Rupees)	
									Total	(b)
1951	..	257.85	17.9	519.33	36.1	342.51	23.5	318.77	22.2	1,438.46
1956	..	257.85	17.1	241.17	16.0	616.52	40.9	393.13	26.1	1,508.67
1957(c)	..	257.85	15.8	245.83	15.0	665.43	40.7	464.50	28.4	1,633.61
1958(c)	..	257.85	15.2	259.08	15.2	625.22	36.8	557.35	32.8	1,699.50
1959(c)	..	257.85	11.8	606.41	27.8	596.84	27.4	719.87	33.0	2,180.96

(a) Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification ; for loans not redeemed on the earlier date, later date has been taken.

(b) Figures are actuals as available with the Reserve Bank of India and differ from those in Statement 62 which are revised estimates for all years. (c) Includes Hyderabad State loans, the liability for which was taken over by Central Government on October 31, 1956 under Section 82(1) of the States Reorganisation Act; the total outstanding of Hyderabad loans at the end of March 1957, March 1958 and March 1959 was Rs. 46.52 crores.

# STATEMENT 65

## DEBT POSITION OF STATES

	At the End of				(Lakhs of Rupees)
	1951-52	1955-56 R.E.	1956-57	1957-58	1958-59 R.E.c
I. Public Debt—					
(a) Permanent Debt	133.71	264.48	273.95	286.51	346.81
(b) Floating Debt	15.66	8.20	19.88	22.90	16.86
(c) Loans from Central Government	238.54	876.07	1094.91	1331.39	1561.09
(d) Other Debt <sup>a</sup>	—	—	2.20	8.92	26.34 <sup>b</sup>
II. Unfunded Debt	57.37	83.19	94.09	103.10	107.43
III. Gross Total Debt	445.28	1231.94	1485.03	1752.82	2058.53

Note.—The figures in this statement are based on actual returns furnished by the States except in certain cases where they are based on the Budget papers. The data for 1951-52 and 1955-56 exclude Part C States which had a separate capital account only from 1954-55; figures for the years 1956-57 to 1958-59 relate to reorganised States and exclude Jammu and Kashmir.

<sup>a</sup> This is a new item to show loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development and Warehousing Board, loans from Khadi and Village Industries Board, Employees' State Insurance Corporation etc. <sup>b</sup> In the case of Mysore, includes the amount of—Rs. 42 lakhs on account of Inter-State Debt Settlement.

<sup>c</sup> Include figures of Orissa as at the end of February 1959.

# STATEMENT 66

## GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND

### AT GOVERNMENT TREASURIES

Reserve Bank of India				Government Treasuries			
Central Government		State Governments		Central Government		State Governments	
1957-58	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58	1958-59
24.78	10.76	9.09	3.96	38	21	6.45	7.43
36.97	47.52	1.24	7	26	28	5.90	5.90
36.62	44.03	79	15.79	37	19	5.97	6.20
26.46	70.33	2.08	23.46	33	12	6.33	6.35
28.75	69.25	— 5.70	19.74	21	22	5.59	6.05
22.72	50.87	— 21.78	24.27	— 20	22	5.73	5.25
35.30	69.94	— 13.28	25.13	15	33	5.61	5.51
53.90	67.46	2.33	14.11	— 12	23	5.48	5.48
59.60	63.41	3.01	10.25	18	14	5.71	5.83
63.83	67.03	16.77	21.46	15	29	7.12	5.90
73.41	49.32	— 2.06	16.31	32	33	5.86	8.41
48.25	34.87 <sup>a</sup>	— 3.98	— 2.93	— 1.24	— 46 <sup>b</sup>	5.47	6.83
							— 1.10

<sup>a</sup> Include figures of Orissa as at the end of February 1959.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 67

### GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Year		Amount offered for tender	Amount tendered	Amount sold	Sales of Inter- mediate Treasury bills	Total sales 3 + 4	Average yield per cent per annum for auction sales	Amount sold in favour of the Reserve Bank of India (b)	Amount outstanding at the end of the period (c) (d)
		1	2	3	4	5	6	7	8
1950-51	.. ..							13,94,35	3,58,02
1955-56	.. ..	55,50	86,25	55,50		55,50	2.52	19,94,09	5,95,25
1956-57	.. ..	1,00(a)	1,03(a)	1,00 (a)		1,00 (a)	2.53(a)	27,37,58	8,35,70
1957-58	.. ..							42,36,65	12,95,12
1958-59	.. ..	81,00	1,22,06	81,00	5,79	86,79	2.52	46,44,56	12,25,32
April	1958	..						5,09,10	12,76,25
May	"	..						3,69,31	12,21,75
June	"	..						4,22,70	13,01,10
July	"	..						3,14,97	11,06,79
August	"	..	13,00	22,60	13,00	13,00	2.57	3,76,26	10,51,77
September	"	..	10,00	13,05	10,00	10,00	2.52	3,33,84	10,42,36
October	"	..	9,00	18,30	9,00	9,00	2.51	6,82,26	11,48,14
November	"	..	15,00	27,73	15,00	4,64	2.45	1,06,74	11,51,47
December	"	..	9,00	12,10	9,00	65	2.43	3,20,58	11,39,69
January	1959	..	9,00	9,20	9,00	—	2.48	7,18,20	11,83,54
February	"	..	8,00	10,99	8,00	50	2.56	1,06,94	11,72,86
March	"	..	8,00	8,10	8,00	—	2.70	3,83,69	12,25,32

Note.—Sales of Treasury bills to the public were suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and from April 6, 1956 to July 28, 1958.

(a) Figures relate to the issue for one week only. (b) Including creation/renewal of *ad hoc* Treasury bills. (c) Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) *ad hoc* created in 1948-49 for holding in the Hank's Issue Department to replace sterling securities transferred to the U. K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) *ad hoc* created since 1954-55 and held in the Issue Department for replenishing the Centre's Cash balances. The outstandings of *ad hoc* under (iii) and (iv) above amounted to Rs. 274.51 crores at the end of 1950-51, Rs. 487.52 crores at the end of 1955-56, Rs. 713.52 crores at the end of 1956-57, Rs. 1189.52 crores at the end of 1957-58 and Rs. 1,021.52 crores at the end of 1958-59. (d) Excludes since July 1958, *ad hoc* Treasury bills for Rs. 300 crores which were funded into 4 per cent Loan 1973 on July 1, 1958.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 68

### GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS (Weekly), 1958-59.

		SALES TO PUBLIC							(Thousands of Rupees)		
1958-59		Amount offered	Amount tendered	Amount sold (a)	Sales of Intermediate Treasury bills	Total sales (3+4)	Amount discharged	Amount out-standing	Average rate of discount for auction sales (per cent per annum)	Sold in favour of the Reserve Bank of India(b)	Total Amount Outstanding(c)
		1	2	3	4	5	6	7	8	9	10
1958											
Week Ended											
April	4									145,81,75	1,276,26,25
"	11									75,02,50	1,286,26,25
"	18									148,16,50	1,297,28,25
"	25									101,08,50	1,299,24,75
May	2									334,34,00	1,313,42,75
"	9									58,38,50	1,323,17,25
"	16									15,05,75	1,221,35,25
"	23									8,10,00	1,220,45,25
"	30									5,17,25	1,221,74,50
June	6									43,43,00	1,235,60,50
"	13									107,08,00	1,252,95,50
"	20									100,67,50	1,260,66,00
"	27									176,78,50	1,301,10,00
July	4									24,80,00	1,008,10,00
"	11									10,02,50	1,018,10,00
"	18									89,08,50	1,074,02,00
"	25									129,53,50	1,102,47,00
August	1	1,00,00	1,60,00	80,00		80,00	—	80,00	2.90	336,93,00	1,105,86,00
"	8	2,00,00	3,55,75	2,20,00		2,20,00	—	3,00,00	2.59	59,62,50	1,109,30,00
"	15	3,00,00	5,54,50	—		—	—	3,00,00	—	16,05,75	1,110,30,00
"	22	4,00,00	5,29,50	7,00,00		7,00,00	—	10,00,00	2.54	9,00,00	1,103,20,00
"	29	3,00,00	6,60,00	3,00,00		3,00,00	—	13,00,00	2.52	9,49,00	1,050,51,75
September	5	3,00,00	4,00,50	46,00		46,00	—	13,46,00	2.51	28,50,00	1,043,85,75
"	12	3,00,00	3,94,50	5,54,00		5,54,00	—	19,00,00	2.52	35,14,00	1,044,64,75
"	19	2,00,00	2,74,50	2,00,00		2,00,00	—	21,00,00	2.52	94,43,00	1,040,40,25
"	26	2,00,00	2,35,00	1,84,00		1,84,00	—	22,84,00	2.53	176,83,50	1,042,29,25

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 68 — (Contd.)

### GOVERNMENT OF INDIA THREE MONTHS TREASURY BILLS (Weekly), 1958-59.

(Thousands of Rupees)

		SALES TO PUBLIC								
		Amount offered	Amount tendered	Amount sold (a)	Sales of Intermediate Treasury bills	Total sales (3+4)	Amount discharged	Amount outstanding	Average rate of discount for auction sales (per cent per annum)	Total Amount Outstanding (c)
		1	2	3	4	5	6	7	8	9
										10
<b>1958</b>										
<b>Week Ended</b>										
October	3	2,00,00	2,45,00	2,16,00		2,16,00	—	25,00,00	2.53	28,78,00
"	10	2,00,00	3,20,00	2,00,00		2,00,00	—	27,00,00	2.53	8,22,50
"	17	2,00,00	3,90,00	2,00,00		2,00,00	—	29,00,00	2.52	173,64,50
"	24	—	—	—		—	—	29,00,00	—	139,28,50
"	31	3,00,00	8,75,00	3,00,00		3,00,00	80,00	31,20,00	2.49	337,93,00
November	7	4,00,00	10,00,00	4,00,00	3,50,00	7,50,00	2,20,00	36,50,00	2.46	58,29,50
"	14	4,00,00	7,20,00	2,00,00	—	2,00,00	—	38,50,00	2.44	15,13,75
"	21	4,00,00	5,02,50	6,00,00	63,75	6,63,75	7,00,00	38,13,75	2.45	20,50,00
"	28	3,00,00	5,50,00	3,00,00	50,00	3,50,00	3,00,00	38,63,75	2.44	6,63,00
December	5	3,00,00	4,55,00	3,00,00	65,00	3,65,00	46,00	41,82,75	2.41	21,08,00
"	12	3,00,00	3,95,00	3,00,00	—	3,00,00	5,54,00	39,28,75	2.42	35,27,00
"	19	3,00,00	3,60,00	3,00,00	—	3,00,00	2,00,00	40,28,75	2.45	92,88,00
"	26	—	—	—	—	—	1,84,00	38,44,75	—	168,05,50
<b>1959</b>										
January	2	—	—	—	—	—	2,16,00	36,28,75	—	28,42,25
"	9	3,00,00	3,05,00	3,00,00	—	3,00,00	2,00,00	37,28,75	2.46	6,33,50
"	16	2,00,00	2,05,00	2,00,00	—	2,00,00	2,00,00	37,28,75	2.47	202,74,50
"	23	2,00,00	2,05,00	—	—	—	—	37,28,75	—	139,48,50
"	30	2,00,00	2,05,00	4,00,00	—	4,00,00	3,00,00	38,28,75	2.50	350,51,00
February	6	2,00,00	2,10,00	2,00,00	—	2,00,00	7,50,00	32,78,75	2.56	65,84,50
"	13	2,00,00	4,19,00	4,00	50,00	54,00	2,00,00	31,32,75	2.54	17,63,75
"	20	2,00,00	2,30,00	3,96,00	—	3,96,00	6,63,75	28,65,00	2.54	18,60,00
"	27	2,00,00	2,40,00	2,00,00	—	2,00,00	3,50,00	27,15,00	2.59	1,34,50
March	6	2,00,00	2,10,00	2,00,00	—	2,00,00	3,65,00	25,50,00	2.63	38,81,50
"	13	2,00,00	2,00,00	2,00,00	—	2,00,00	3,00,00	24,50,00	2.68	36,10,50
"	20	2,00,00	2,00,00	2,00,00	—	2,00,00	3,00,00	23,50,00	2.72	136,73,25
"	27	2,00,00	2,00,00	2,00,00	—	2,00,00	—	25,50,00	2.76	152,18,75
As on March 31		—	—	—	—	—	—	25,50,00	—	23,53,00

The figures differ from those given in the Reserve Bank of India Bulletin as the figures given here represent transactions effected as at the end of particular dates and not transactions relating to a particular issue of Treasury bills.

Including creation/renewals of *ad hoc* Treasury bills.

Excludes since July 1958 *ad hoc* Treasury bills for Rs. 300 crores which were funded into 4 per cent Loan, 1973 on July 1, 1958.

# REPORT ON CURRENCY AND FINANCE, 1958-59

STATE

## PRINCIPAL ITEMS OF

	Post Office Savings Bank Deposits				12 year National Plan Savings Certificates(a)				Treasury Savings Deposit Certificates(b)				15 Year Annuity Certificates(c)	
	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Gross Re-ceipts	Repay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Net Re-ceipts	Out-stand-ings at the end of the period
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 1950-51	101,06	84,80	16,26	61,36	—	—	—	—	5,31	—	5,31	5,31	—	—
2 1955-56	158,11	121,14	36,97	167,85	—	—	—	—	4,79	69	4,10	41,25	41	95
3 1956-57	176,97	148,32	28,65	196,50	—	—	—	—	3,92	89	3,03	44,28	37	1,32
4 1957-58	179,87	162,46	17,41	213,91	71,47	3	71,44	71,44	6,35	1,58	4,77	49,05	55	1,87
5 1958-59(g)	182,81	169,82	12,99	226,90(h)	87,11	6,06	81,05	152,49	6,36	1,16	5,20	54,25	54	2,41
6 April 1957	14,75	12,48	2,27	198,77	—	—	—	—	24	13	11	44,39	1	1,33
7 May	14,63	15,85	— 1,22	197,55	—	—	—	—	22	10	12	44,51	2	1,35
8 June	14,55	14,13	42	197,97	3,08	—	3,08	3,08	63	17	46	44,97	1	1,36
9 July	15,04	12,44	2,60	200,57	5,21	—	5,21	8,29	62	7	55	48,52	3	1,39
10 August	12,64	11,53	1,11	201,68	5,03	—	5,03	13,32	52	21	31	45,83	3	1,42
11 September	14,05	12,56	1,49	203,17	6,86	—	6,86	20,18	63	18	45	46,28	4	1,46
12 October	12,51	12,85	— 34	202,83	6,17	1	6,16	26,34	42	5	37	46,65	1	1,47
13 November	13,25	13,50	— 25	202,58	6,48	— 1	6,49	32,83	49	12	37	47,02	2	1,49
14 December	13,00	13,03	— 3	202,55	6,41	—	6,41	39,24	46	12	34	47,36	1	1,50
15 January 1958	13,88	13,89	— 1	202,54	7,95	—	7,95	47,19	68	16	52	47,88	18	1,68
16 February	14,22	13,64	58	203,12	10,24	—	10,24	57,43	74	12	62	48,50	7	1,75
17 March	27,35	16,56	10,79	213,91	14,04	3	14,01	71,44	70	15	55	49,05	12	1,87
18 April	15,27	14,94	33	214,24	6,56	—	6,56	78,00	77	20	57	49,62	10	1,97
19 May	15,22	16,80	— 1,58	212,66	5,84	1	5,83	83,83	57	10	47	50,09	4	2,01
20 June	14,51	14,12	39	213,05	5,03	5	4,98	88,81	38	6	32	50,41	2	2,03
21 July	16,04	13,96	2,08	215,13	5,94	9	5,85	94,66	47	8	39	50,80	4	2,07
22 August	14,40	12,32	2,08	217,21	6,20	13	6,07	100,73	45	7	38	51,18	3	2,10
23 September	14,06	12,93	1,13	218,34	5,92	19	5,73	106,46	41	5	36	51,54	4	2,14
24 October	14,37	13,75	62	218,96	7,05	20	6,85	113,31	53	11	42	51,96	3	2,17
25 November	12,52	12,78	— 26	218,70	6,36	33	6,03	119,34	47	4	43	52,39	6	2,23
26 December	14,83	14,49	34	219,04	7,84	48	7,36	126,70	51	13	38	52,77	5	2,28
27 January 1959	14,37	14,72	— 35	218,69	9,07	76	8,31	135,01	57	4	53	53,30	4	2,32
28 February	14,93	14,25	68	219,37	9,64	1,50	8,14	143,15	58	12	46	53,76	4	2,36
29 March(g)	22,29	14,76	7,53	226,90(h)	11,66	2,32	9,34	152,49	65	16	49	54,25	5	2,41

Note.—Figures relate to Indian Union; the outstandings do not include the Indian Union's share of pre-partition liabilities.

(a) Twelve-Year National Plan Certificates are being issued since June 1, 1957.

(b) Include figures of 3½ per cent Treasury Savings Deposit Certificates discontinued from June 1, 1957.

(c) Fifteen-Year annuity certificates are being issued since July 1, 1954.

(d) Include twelve-year, seven-year and five-year National Savings Certificates, the last being discontinued with effect from July 1, 1953 and the others from June 1, 1957.

## MENT 69

## SMALL SAVINGS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Post Office Cash Certificates, Defence Savings Bank Deposits & Defence Savings Certificates											(Lakhs of Rupees)			
National Savings Certificates(d)				10 Year National Plan Bank Deposits & Defence Savings Certificates(e)		Cumulative Time Deposits(f)			TOTAL					
Gross Re-ceipts	Re-pay-ments	Net Re-ceipts	Out-stand-ings at the end of the period	Net Re-ceipts	Out-stand-ings at the end of the period	Re-pay-ments	Net Re-ceipts	Out-stand-ings at the end of the period(f)	Re-ceipts	Out-standing	Total Gross Re-ceipts	Total Re-pay-ments	Total Net Re-ceipts	Total out-stand-ings at the end of the period
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
23,71	6,37	17,34	57,91	—	—	548	—548	—22,32			130,08	96,65	33,43	102,26
29,17	9,89	19,28	153,61	900	16,38	133	—133	—37,68			202,38	133,95	68,43	342,36
34,49	15,41	19,08	172,69	900	25,38	114	—114	—38,82			225,89	166,90	58,99	401,35
4,78	27,04	—22,26	150,43	227	23,12	92	—92	—39,74	—	—	264,36	195,64	68,72	470,08
—	25,76	—25,76	124,67	—210	21,02	94	—94	—40,68	5	5	277,00	205,97	71,03	541,11
2,42	1,44	98	173,67	60	25,98	5	—5	—38,87			18,13	14,21	3,92	405,27
2,25	1,60	65	174,32	43	26,41	6	—6	—38,93			17,68	17,74	—6	405,21
48	1,67	—119	173,13	—7	26,34	9	—9	—39,02			18,91	16,29	2,62	407,83
—27	2,13	—2,40	170,73	—19	26,15	9	—9	—39,11			20,74	15,03	5,71	413,54
—9	2,07	—2,16	168,57	—55	25,60	7	—7	—39,18			17,91	14,21	3,70	417,24
—2	2,32	—2,34	166,23	—43	25,17	8	—8	—39,26			21,54	15,55	5,99	423,23
—	2,60	—2,60	163,63	—36	24,81	7	—7	—39,33			19,12	15,95	3,17	426,40
1	2,58	—2,57	161,06	—34	24,47	5	—5	—39,38			20,25	16,58	3,67	430,07
—	2,46	—2,46	158,60	—33	24,14	10	—10	—39,48			19,90	16,06	3,84	433,91
—	2,69	—2,69	155,91	—36	23,78	8	—8	—39,56			22,68	17,17	5,51	439,42
—	2,60	—2,60	153,31	—32	23,46	7	—7	—39,63			25,29	16,77	8,52	447,94
—	2,88	—2,88	150,43	—34	23,12	11	—11	—39,74			42,21	20,07	22,14	470,08
—	2,29	—2,29	148,14	—26	22,86	9	—9	—39,83			22,71	17,79	4,92	475,00
—	2,26	—2,26	145,88	—27	22,59	8	—8	—39,91			21,68	19,53	2,15	477,15
—	1,92	—1,92	143,96	—19	22,40	8	—8	—39,99			19,95	16,43	3,52	480,67
—1	2,38	—2,39	141,57	—20	22,20	7	—7	—40,06			22,49	16,79	5,70	486,37
—	2,00	—2,00	139,57	—17	22,03	7	—7	—40,13			21,10	14,78	6,32	492,69
—	2,05	—2,05	137,52	—16	21,87	9	—9	—40,22			20,44	15,48	4,96	497,65
1	2,42	—2,41	135,11	—17	21,70	8	—8	—40,30			22,00	16,74	5,26	502,91
—	1,94	—1,94	133,17	—13	21,57	6	—6	—40,36			19,42	15,29	4,13	507,04
—	2,28	—2,28	130,89	—15	21,42	7	—7	—40,43			23,24	17,61	5,63	512,67
—	2,30	—2,30	128,59	—14	21,28	8	—8	—40,51	1	1	24,07	18,05	6,02	518,69
—	1,95	—1,95	126,64	—14	21,14	8	—8	—40,59	2	3	25,22	18,05	7,17	525,86
—	1,97	—1,97	124,67	—12	21,02	9	—9	—40,68	2	5	34,68	19,43	15,25	541,11

(e) Ten Year National Plan Certificates were being issued since May 10, 1954; they have been discontinued from June 1, 1957.

(f) Represent progressive net repayments since August 15, 1947.

(g) Figures are provisional; constituent items, therefore, do not necessarily add up to the totals. Later data, which are also provisional, place net receipts from small savings at about Rs. 78 crores (including accrued interest) for 1958-59.

The figures do not include accrued interest for the year 1958-59.

Commenced from January 2, 1959.

# MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE

## GOVERNMENTS, 1958-59

Description of Loan	Amount of Issue (Rs. crores)	Period of Maturity (No. of years)	Issue Price Rs.	Redemption yield at issue price (%)	Amount subscribed (Rs. crores)	Subscriptions Accepted (Rs. Crores)				Repayment in cash of maturing loans (Rs. crores)	Net borrowing (7-11) (Rs. crores)
						Cash	Conversion	Total	Amount		
1	2	3	4	5	6	7	8	9	10	11	12
<b>Central Government</b>	..	150.00			<b>1956-57</b>						
State Governments	..	64.00			157.73	77.21		80.52	157.73	—	+ 77.21
Central and State Governments		214.00			74.23	66.53		2.18	68.71	3.00	+ 63.53
					231.96	143.74		82.70	226.44	3.00	+ 140.74
<b>Central Government</b>	..	130.00			<b>1957-58</b>						
State Governments	..	9.00			136.17	91.09		45.08	136.17	25.16	+ 65.93
Central and State Governments		139.00			12.52	8.58		1.33	9.91	3.77	+ 4.81
					148.60	99.67		46.41	146.08	28.93	+ 70.74
<b>Central Government</b>	..				<b>1958-59</b>						
3½% Bonds, 1963	..		98.75	3.78		49.34		8.62	57.96		
3½% National Plan Bonds, 1968 (fifth series)	..	135.00	99.50	3.81	141.87	34.07		0.27	34.34		
4% Loan, 1973	..		100.00	4.00		49.04		0.47	49.51	11.59	+ 120.86
3½% Loan, 1968	..	30.00	98.50	3.68	30.00(a)	30.00		—	30.00		+ 30.00
3½% National Plan Bonds, 1967 (third series)	..	30.00	98.80	3.66	30.00(a)	30.00		—	30.00		+ 30.00

# REPORT ON CURRENCY AND FINANCE, 1958-59

Total of Central Government: State Governments	195.00		201.87	192.45	9.36	201.81	11.59	+180.86
4½% Andhra Pradesh Development Loan, 1970 ..	5.00	12	99.50	4.30	6.38	5.45	—	+ 5.45
4½% Bombay State Development Loan, 1970 ..	10.00	12	100.00	4.25	13.95	9.70	1.22	+ 7.97
4½% Bombay State Development Loan, 1971 ..		13	99.75	4.28				
4½% Kerala State Development Loan, 1970 ..	3.00	12	99.00	4.35	4.10	2.66	0.61	+ 2.27
4½% Madhya Pradesh State Development Loan, 1970 ..	2.00	12	99.00	4.35	3.12	1.82	0.39	+ 1.68
4½% Madras Loan, 1970 ..	5.00	12	99.50	4.30	6.03	4.67	0.87	+ 4.46
4½% Mysore State Development Loan, 1970 ..	5.00	12	99.50	4.30	7.12	5.51	—	+ 5.51
4½% Orissa Government Loan, 1970 ..	3.00	12	99.00	4.35	3.24	3.24	—	+ 3.24
4½% Rajasthan State Development Loan, 1970 ..	2.50	12	99.50	4.30	2.99	2.76	—	+ 2.76
4½% Uttar Pradesh State Development Loan, 1970 ..	7.00	12	99.50	4.30	10.74	5.50	2.15	+ 4.78
4½% West Bengal Loan, 1970.	5.00	12	99.50	4.30	5.12	5.12	—	+ 5.12
4½% Bihar State Development Loan, 1970 ..	2.50	12	99.50	4.30	2.99	2.75	—	+ 2.75
Total of State Governments ..	50.00				65.84	49.18	5.24	+ 45.99
Total of Central and State Governments ..	245.00				267.71	241.63	14.60	+ 226.85

(a) The entire amount of the issue was initially taken up by the Reserve Bank of India.

Note :—The Statement excludes (i) a special issue of the 4 per cent Loan, 1973 for Rs. 300 crores created in July, 1958, which was wholly taken over by the Reserve Bank of India against cancellation of *ad hoc* Treasury Bills and held in the Issue Department as cover against note issue and (ii) issues and repayments of 3½ per cent Uttar Pradesh Encumbered Estates Act Bonds and 2½ per cent Uttar Pradesh Zamindari Abolition Compensation and Rehabilitation Grant Bonds, and issues of 2½ per cent Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds and 3 per cent Bombay Land Tenure Abolition Acts Compensation Bonds ; total issues and repayments of these during 1958-59 amounted, respectively, to Rs. 18.37 crores and Rs. 2.39 crores.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 71

### CENTRAL AND STATE GOVERNMENT LOANS

(OUTSTANDINGS AS ON MARCH 31, 1959)

(Thousands of Rupees)

Central Government Loans										Amount Outstanding
3 %	Second Victory Loan, 1959-61	..	..	..	..	..	..	..	..	1,13,65,64
2½ %	Loan, 1960	..	..	..	..	..	..	..	..	45,63,07
4 %	Loan, 1960-70	..	..	..	..	..	..	..	..	63,30,26
2½ %	Loan, 1961	..	..	..	..	..	..	..	..	57,00,69
3½ %	National Plan Bonds, 1961	..	..	..	..	..	..	..	..	75,29,00
2½ %	Loan, 1962	..	..	..	..	..	..	..	..	75,86,72
3½ %	Bonds, 1962	..	..	..	..	..	..	..	..	87,27,36
3 %	Loan, 1963-65	..	..	..	..	..	..	..	..	1,16,17,46
3½ %	Bonds, 1963	..	..	..	..	..	..	..	..	58,55,92
3 %	Loan, 1964	..	..	..	..	..	..	..	..	30,33,10
3½ %	National Plan Loan, 1964	..	..	..	..	..	..	..	..	1,58,17,95
3½ %	National Plan Bonds (Second Series), 1965	..	..	..	..	..	..	..	..	1,03,67,92
3 %	Funding Loan, 1966-68	..	..	..	..	..	..	..	..	1,10,11,78
3 %	Bhopal Loan, 1966-76	..	..	..	..	..	..	..	..	1,21,73
3½ %	National Plan Bonds (Third Series), 1967	..	..	..	..	..	..	..	..	63,81,83
3½ %	National Plan Bonds (Fourth Series), 1967	..	..	..	..	..	..	..	..	56,99,30
3½ %	National Plan Bonds (Fifth Series), 1968	..	..	..	..	..	..	..	..	34,33,90
3½ %	Loan, 1968	..	..	..	..	..	..	..	..	30,00,00
3 %	First Development Loan, 1970-75	..	..	..	..	..	..	..	..	1,15,05,83
4 %	Loan, 1972	..	..	..	..	..	..	..	..	49,17,27
4 %	Loan, 1973	..	..	..	..	..	..	..	..	49,51,44
4 %	Loan, 1973 (Ad-hoc-Issue)	..	..	..	..	..	..	..	..	3,00,00,00
3½ %	Loan, 1974	..	..	..	..	..	..	..	..	66,63,53
2½ %	Loan, 1976	..	..	..	..	..	..	..	..	14,77,48
3 %	Hyderabad Loan, 1951-61	..	..	..	..	..	..	..	..	6,59,00
2½ %	Hyderabad Loan, 1953-63	..	..	..	..	..	..	..	..	5,38,43
2½ %	Hyderabad Loan, 1954-59	..	..	..	..	..	..	..	..	7,54,76
2½ %	Hyderabad Loan, 1955-60	..	..	..	..	..	..	..	..	4,23,60
4 %	Hyderabad Development Loan, 1963	..	..	..	..	..	..	..	..	3,34,71
1½ %	Hyderabad Loan, 1964	..	..	..	..	..	..	..	..	3,85,71
4 %	Hyderabad Development Loan, 1967	..	..	..	..	..	..	..	..	2,12,46
4 %	Hyderabad Development Loan, 1968	..	..	..	..	..	..	..	..	2,18,02
2½ %	Hyderabad Loan, 1974	..	..	..	..	..	..	..	..	4,40,00
2½ %	Hyderabad Loan, 1975	..	..	..	..	..	..	..	..	6,85,71
3 %	Conversion Loan, 1986 or later	..	..	..	..	..	..	..	..	2,48,91,35
3 %	Non-terminable Loan, 1896-97	..	..	..	..	..	..	..	..	8,93,34
										<b>21,80,96,27</b>
Loans not bearing interest										
Central Government Loans										2,76,41
Hyderabad Loans										1,25
<b>TOTAL</b>										<b>21,83,73,93</b>
State Government Loans										
ANDHRA PRADESH										
4 %	Andhra State Development Loan, 1967	..	..	..	..	..	..	..	..	5,00,16
4 %	Andhra State Development Loan, 1968	..	..	..	..	..	..	..	..	6,56,15
4½ %	Andhra State Development Loan, 1970	..	..	..	..	..	..	..	..	5,48,81
<b>TOTAL</b>										<b>17,05,12</b>
BIHAR										
4 %	Bihar State Development Loan, 1963	..	..	..	..	..	..	..	..	1,31,29
4 %	Bihar State Development Loan, 1967	..	..	..	..	..	..	..	..	1,54,02
4 %	Bihar State Development Loan, 1968	..	..	..	..	..	..	..	..	2,13,41
4½ %	Bihar State Development Loan, 1970	..	..	..	..	..	..	..	..	2,76,71
<b>TOTAL</b>										<b>7,75,43</b>

**Note:**—(1) The liability for Hyderabad State loans was taken over by the Central Government on October 31, 1956 under Section 82 (1) of the States' Reorganisation Act. The outstanding balances of Hyderabad loans in O.S. Currency have been converted into India Government Currency at the rate of I.G. Rs. 6 = O. S. Rs. 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangement with the Reserve Bank of India.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 71—(Contd.)

Amount  
Outstanding

### BOMBAY

3 %	Porbandar Water Project Loan, 1950-75	..	..	..	..	..	35,00
3 %	Bombay State Development Loan, 1960	..	..	..	..	..	2,83,50
3 %	Bhavnagar Bonds, 1960	..	..	..	..	..	14,00
3 %	Bombay Tapi Irrigation Development Loan, 1961	..	..	..	..	..	67,93
3 %	Bombay Provincial Development Loan, 1962	..	..	..	..	..	5,49,68
3½ %	Bombay State Development Loan, 1962	..	..	..	..	..	2,87,53
4 %	Bombay State Development Loan, 1963	..	..	..	..	..	5,19,35
4 %	Saurashtra State Development Loan, 1963	..	..	..	..	..	1,11,62
4 %	Bombay State Development Loan, 1964	..	..	..	..	..	3,45,85
4 %	Saurashtra State (Local Bodies Development) Loan, 1964	..	..	..	..	..	2,51,30
4 %	Bombay State Development Loan, 1967	..	..	..	..	..	9,72,28
4 %	Saurashtra State Development Loan, 1967	..	..	..	..	..	3,56,23
4 %	Saurashtra State Development Loan, 1968	..	..	..	..	..	2,70,80
4½ %	Bombay State Development Loan, 1969	..	..	..	..	..	6,57,22
4 %	Bombay State Development Loan, 1970	..	..	..	..	..	7,94,78
4½ %	Bombay State Development Loan, 1970	..	..	..	..	..	6,58,09
4½ %	Bombay State Development Loan, 1971	..	..	..	..	..	4,35,25
3 %	Bombay Land Tenure Abolition Acts Compensation Bonds	..	..	..	..	..	54,15
							<b>66,64,56</b>
	Loans not bearing interest	..	..	..	..	..	78
	<b>TOTAL</b>	..					<b>66,65,34</b>

### KERALA

3 %	Cochin Loan, 1956-61	..	..	..	..	..	30,00
4 %	Travancore-Cochin State Development Loan, 1963	..	..	..	..	..	3,25,61
4 %	Travancore-Cochin State Development Loan, 1968	..	..	..	..	..	2,22,08
4½ %	Kerala State Development Loan, 1970	..	..	..	..	..	3,26,38
							<b>9,04,07</b>
	Loans not bearing interest	..	..	..	..	..	22,70
	<b>TOTAL</b>	..					<b>9,26,77</b>

### MADHYA PRADESH

3 %	Madhya Pradesh Loan, 1960	..	..	..	..	..	1,01,45
3½ %	Madhya Pradesh Loan, 1962	..	..	..	..	..	1,02,18
4 %	Madhya Bharat State Development Loan, 1963	..	..	..	..	..	1,04,77
4 %	Madhya Pradesh State Development Loan, 1963	..	..	..	..	..	1,10,18
3 %	Madhya Pradesh State Development Loan, 1964	..	..	..	..	..	2,03,29
4 %	Madhya Pradesh State Development Loan, 1967	..	..	..	..	..	1,63,12
4 %	Madhya Pradesh State Development Loan, 1968	..	..	..	..	..	1,58,42
4 %	Madhya Bharat State Development Loan, 1968	..	..	..	..	..	1,11,26
4½ %	Madhya Pradesh State Development Loan, 1970	..	..	..	..	..	2,19,31
							<b>12,73,98</b>
	Loans not bearing interest	..	..	..	..	..	35
	<b>TOTAL</b>	..					<b>12,74,33</b>

### MADRAS

3 %	Madras Loan, 1959	..	..	..	..	..	1,23,96
3 %	Madras Development Bonds, 1960	..	..	..	..	..	4,38,25
3 %	Madras Loan, 1960	..	..	..	..	..	2,78,44
2½ %	Madras Loan, 1961	..	..	..	..	..	3,81,77
3½ %	Madras Loan, 1962	..	..	..	..	..	3,01,49
4 %	Madras Loan, 1963	..	..	..	..	..	10,33,71
4 %	Madras Loan, 1964	..	..	..	..	..	5,24,81
4 %	Madras Loan, 1967	..	..	..	..	..	10,47,17
4 %	Madras Loan, 1968	..	..	..	..	..	13,83,56
4½ %	Madras Loan, 1970	..	..	..	..	..	5,55,57
							<b>60,68,73</b>
	Loans not bearing interest	..	..	..	..	..	2,83
	<b>TOTAL</b>	..					<b>60,71,56</b>



**STATEMENT 71—(Contd.)**

									Amount Outstanding
<b>MYSORE</b>									
4 ½ %	Mysore Loan, 1953-63	..	..	..	..	..	..	..	2,95,85
3 ½ %	Mysore Loan, 1956-61	..	..	..	..	..	..	..	5,99,73
4 ½ %	Mysore State Development Loan, 1963	..	..	..	..	..	..	..	3,33,47
4 ½ %	Mysore State Development Loan, 1967	..	..	..	..	..	..	..	3,54,94
4 ½ %	Mysore State Development Loan, 1968	..	..	..	..	..	..	..	4,11,11
4 ½ %	Mysore State Development Loan, 1969	..	..	..	..	..	..	..	3,34,36
4 ½ %	Mysore State Development Loan, 1970	..	..	..	..	..	..	..	5,51,61
									<b>28,81,08</b>
Loans not bearing interest		..	..	..	..	..	..	..	31,82
<b>TOTAL</b>									<b>29,12,90</b>
<b>ORISSA</b>									
4 %	Orissa Government Loan, 1968	..	..	..	..	..	..	..	3,09,34
4 ½ %	Orissa State Development Loan, 1970	..	..	..	..	..	..	..	3,27,71
<b>TOTAL</b>									<b>6,37,05</b>
<b>PUNJAB</b>									
4 %	Punjab Loan, 1968	..	..	..	..	..	..	..	2,03,86
<b>RAJASTHAN</b>									
4 %	Rajasthan State Development Loan, 1968	..	..	..	..	..	..	..	3,14,19
4 ½ %	Rajasthan State Development Loan, 1970	..	..	..	..	..	..	..	2,79,86
2 ½ %	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	..	..	..	..	..	..	..	3,09,58
<b>TOTAL</b>									<b>9,03,63</b>
<b>UTTAR PRADESH</b>									
3 %	Uttar Pradesh Loan, 1960	..	..	..	..	..	..	..	2,17,06
2 ½ %	Uttar Pradesh Loan, 1961	..	..	..	..	..	..	..	2,16,39
3 %	Uttar Pradesh Loan, 1961-66	..	..	..	..	..	..	..	1,55,59
3 ½ %	Uttar Pradesh Loan, 1962	..	..	..	..	..	..	..	1,87,88
4 %	Uttar Pradesh State Development Loan, 1963	..	..	..	..	..	..	..	5,58,25
4 %	Uttar Pradesh State Development Loan, 1964	..	..	..	..	..	..	..	5,89,14
4 %	Uttar Pradesh State Development Loan, 1967	..	..	..	..	..	..	..	9,10,71
4 %	Uttar Pradesh State Development Loan, 1968	..	..	..	..	..	..	..	8,48,40
4 ½ %	Uttar Pradesh State Development Loan, 1970	..	..	..	..	..	..	..	7,65,48
3 ½ %	U. P. E. E. Act Bonds	..	..	..	..	..	..	..	1,44,59
2 ½ %	U. P. Z. A. Compensation Bonds	..	..	..	..	..	..	..	45,63,93
2 ½ %	U. P. Zamindari Abolition Rehabilitation Grant Bonds	..	..	..	..	..	..	..	17,91,75
									<b>1,09,49,16</b>
Loans not bearing interest		..	..	..	..	..	..	..	3,73
<b>TOTAL</b>									<b>1,09,52,89</b>
<b>WEST BENGAL</b>									
3 ½ %	West Bengal Government Loan, 1962	..	..	..	..	..	..	..	1,75,00
4 %	West Bengal Government Loan, 1963	..	..	..	..	..	..	..	3,60,23
4 %	West Bengal Government Loan, 1964	..	..	..	..	..	..	..	2,00,00
4 %	West Bengal Government Loan, 1967	..	..	..	..	..	..	..	7,58,72
4 %	West Bengal Government Loan, 1968	..	..	..	..	..	..	..	7,11,46
4 ½ %	West Bengal Government Loan, 1970	..	..	..	..	..	..	..	5,10,40
<b>TOTAL</b>									<b>27,15,81</b>
<b>TOTAL OF ALL STATES</b>									
Loans bearing interest		..	..	..	..	..	..	..	3,56,82,48
Loans not bearing interest		..	..	..	..	..	..	..	62,21
<b>TOTAL</b>									<b>3,57,44,69</b>

# STATEMENT 72

## INDIA'S OVERALL BALANCE OF PAYMENTS, 1958-59

### A. CURRENT ACCOUNT

Item	April-June			July-September			October-December			January-March			Year: 1958-59 (Preliminary)		
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net
	Debits			Debits			Debits			Debits			Debits		
1. Merchandise (Exports <i>f.o.b.</i> , Imports <i>c.i.f.</i> )															
A. Private(a) ...	125.4	142.2	- 16.8	124.9	133.0	- 8.1	160.6	127.4	+ 33.2	159.2	116.0	- 43.2	570.1	518.6	+ 51.5
B. Government(b) ...	1.6	135.0	-133.4	1.6	115.8	-114.2	1.3	127.1	-125.8	1.5	150.0	-148.5	6.0	527.9	-521.9
2. Non-monetary gold movement ...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Foreign Travel(c) ...	1.2	2.0	- 0.8	0.9	2.2	- 1.3	1.1	1.7	- 0.6	1.5	1.6	- 0.1	4.7	7.5	- 2.8
4. Transportation(d) ...	10.2	4.5	+ 5.7	9.9	3.8	+ 6.1	10.2	4.1	+ 6.1	11.9	4.1	+ 7.8	42.2	16.5	+ 25.7
5. Insurance (d) ...	2.8	1.4	+ 1.4	2.3	1.3	+ 1.0	2.5	1.4	+ 1.1	2.1	1.3	+ 0.8	9.7	5.4	+ 4.3
6. Investment Income(e) ...	4.3	9.3	- 5.0	4.5	6.4	- 1.9	3.0	7.5	- 4.5	4.5	5.8	- 1.3	16.3	29.0	- 12.7
7. Government, not included elsewhere (f) ...	8.6	4.8	+ 3.8	11.4	6.6	+ 4.8	10.4	4.3	+ 6.1	18.6	4.6	+ 14.0	49.0	20.3	+ 28.7
8. Miscellaneous(g) ...	7.5	5.0	+ 2.5	8.2	4.9	+ 3.3	8.5	5.3	+ 3.2	7.8	5.6	+ 2.2	32.0	20.8	+ 11.2
9. Donations															
(i) Official(h) ...	13.6	-	+ 13.6	10.8	-	+ 10.8	9.1	-	+ 9.1	7.4	-	+ 7.4	40.9	-	+ 40.9
(ii) Private(i) ...	13.8	5.0	+ 8.8	13.1	4.2	+ 8.9	12.6	3.5	+ 9.1	14.3	4.8	+ 9.5	53.8	17.5	+ 36.3
10. Total Current Transactions	189.0	309.2	-120.2	187.6	278.2	-90.6	219.3	282.3	-63.0	228.8	293.8	-65.0	824.7	1163.5	-338.8
Errors and Omissions			+ 1.8			+ 19.1			- 29.9			- 16.0			- 28.0

(a) Includes estimates of unrecorded imports paid for with Indian currency notes. (b) Transactions under Government barter deals, if any, have not been included. (c) Data for receipts are incomplete. (d) Receipts cover estimated amounts for reimbursement of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports etc. and payments include operating expenses abroad of Indian steamship companies and some freight and insurance payments. It may be noted that these items are more or less complete on the receipts side but in regard to payments only a portion of the expenditure is entered here. Payments for imports are recorded on a *c.i.f.* basis and therefore they include all but a small portion of expenditure on account of 'Transportation' and 'Insurance'. (e) Receipts include interest on investments of the Reserve Bank of India. (f) The payments figures represent disbursements of the Government, e.g. for the up-keep of its organisations abroad and contributions to international organisations. (g) Covers receipts and payments mainly for services e.g. for film rentals, technicians and agency services. (h) Represents contra entries for imports financed by aid received under the Colombo Plan, Indo-American Technical Co-operation Agreement and cash receipts from the Ford Foundation. (i) Comprises unilateral transfers like migrants' transfers and personal and institutional remittances like family maintenance allowances, upkeep of religious missions, etc.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 73

### INDIA'S BALANCE OF PAYMENTS

#### Current Account: Region-wise Summary

(Crores of Rupees)

			1950-51	1955-56	1956-57	1957-58 (Revised)	1958-59 (Preliminary)
<b>All Areas</b>							
Imports c.i.f.	...	...	650.3	761.4	1099.5	1204.2	1046.5
Exports f.o.b.	...	...	646.8	640.2	635.2	669.1(a)	576.1
Trade Balance	...	...	— 3.5	—121.2	—464.3	—535.1	—470.4
Official Donations	...	...	+ 2.1	+ 45.0	+ 39.5	+ 32.7	+ 40.9
Other Invisibles (Net)	...	...	+ 40.3	+ 88.5	+ 112.5	+ 100.9	+ 90.7
Current Account (Net)	...	...	+ 38.9	+ 12.3	—312.3	—401.5	—338.8
<b>Sterling Area</b>							
Imports c.i.f.	...	...	330.2	361.2	466.5	449.6	392.8
Exports f.o.b.	...	...	351.4	330.9	332.6	298.2	300.4
Trade Balance	...	...	+ 21.2	— 30.3	—133.9	—151.4	— 92.4
Official Donations	...	...	—	+ 0.1	+ 2.1	+ 4.6	+ 2.3
Other Invisibles (Net)	...	...	+ 51.8	+ 74.4	+ 93.9	+ 72.8	+ 53.7
Current Account (Net)	...	...	+ 73.0	+ 44.2	— 37.9	— 74.0	— 36.4
<b>Dollar Area</b>							
Imports c.i.f.	...	...	138.9	132.2	209.5	269.8	246.7
Exports f.o.b.	...	...	168.1	120.4	121.0	192.6(a)	104.5
Trade Balance	...	...	+ 29.2	— 11.8	— 88.5	— 77.2	—142.2
Official Donations	...	...	+ 2.1	+ 44.9	+ 37.2	+ 28.0	+ 38.5
Other Invisibles (Net)	...	...	— 1.8	+ 6.1	+ 6.8	+ 14.4	+ 27.8
Current Account (Net)	...	...	+ 29.5	+ 39.2	— 44.5	— 34.8	— 75.9
<b>O.E.E.C. Countries (b)</b>							
Imports c.i.f.	...	...	..	154.3	262.3	299.8	216.2
Exports f.o.b.	...	...	..	72.5	62.6	57.6	50.8
Trade Balance	...	...	..	— 81.8	—199.7	—242.2	—165.4
Official Donations	...	...	..	—	+ 0.1	+ 0.1	+ 0.1
Other Invisibles (Net)	...	...	..	— 2.7	— 0.3	+ 1.0	— 3.2
Current Account (Net)	...	...	..	— 84.5	—199.9	—241.1	—168.5
<b>Rest of Non-Sterling Area (c)</b>							
Imports c.i.f.	...	...	181.2	113.7	161.2	185.0	190.8
Exports f.o.b.	...	...	127.3	116.4	119.0	120.7	120.4
Trade Balance	...	...	— 53.9	+ 2.7	— 42.2	— 64.3	— 70.4
Official Donations	...	...	—	—	+ 0.1	—	—
Other Invisibles (Net)	...	...	— 9.7	+ 10.7	+ 12.1	+ 12.7	+ 12.4
Current Account (Net)	...	...	— 63.6	+ 13.4	— 30.0	— 51.6	— 58.0

(a) Includes silver despatched to the U.S.A. and delivered to the American Embassy valued at Rs. 74.4 crores in fulfilment of the Lend-lease obligations.

(b) Include transactions with their associated territories upto June 1955.

(c) Including O.E.E.C. Countries in 1950-51.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 74

### INDIA'S BALANCE OF PAYMENTS, 1958-59

#### CURRENT ACCOUNT—REGION-WISE

##### STERLING AREA

Item	April-June 1958			July-September 1958			October-December 1958			January-March 1959			Year: 1958-59 (Preliminary)		
	Credits Debits Net			Credits Debits Net			Credits Debits Net			Credits Debits Net			Credits Debits Net		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
.. Merchandise															
(i) Private	59.9	70.7	-10.8	68.7	61.7	+ 7.0	89.8	62.1	+27.7	80.4	59.4	+21.0	298.8	253.9	+ 44.9
(ii) Government	0.3	35.9	-35.6	0.4	26.5	-26.1	0.4	27.7	-27.3	0.5	48.8	-48.3	1.6	138.9	-137.3
1. Non-monetary gold movement	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1. Foreign Travel	..	1.1	- 1.1	..	1.2	- 1.2	..	..	..	..	..	..	..	..	..
1. Transportation	..	5.9	2.3 + 3.6	5.7	2.1 + 3.6	6.0	6.0	1.7 + 4.3	7.1	2.2 + 4.9	24.7	8.3 + 16.4	..	4.2	- 4.2
1. Insurance	..	2.1	1.1 + 1.0	1.8	0.9 + 0.9	1.8	1.8	1.2 + 0.6	1.4	1.1 + 0.3	7.1	4.3 + 2.8	..	8.3	+ 16.4
5. Investment Income	..	3.9	4.2 - 0.3	4.3	4.3	..	2.6	2.6	..	3.9	2.4 + 1.5	14.7	13.5	+ 1.2	+ 1.2
7. Government, not included elsewhere	..	4.8	3.2 + 1.6	3.5	4.8 - 1.3	3.1	3.1	2.7 + 0.4	4.0	2.3 + 1.7	15.4	13.0 + 2.4	..	13.0	+ 2.4
3. Miscellaneous	..	4.5	3.2 + 1.3	5.2	2.6 + 2.6	5.4	5.4	2.3 + 3.1	4.9	3.0 + 1.9	20.0	11.1 + 8.9	..	11.1	+ 8.9
3. Donations	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
(i) Official	..	..	..	1.5	..	+ 1.5	0.3	..	+ 0.3	0.5	..	+ 0.5	2.3	..	+ 2.3
(ii) Private	..	10.6	4.0 + 6.6	9.7	3.4 + 6.3	9.3	9.3	2.8 + 6.5	11.0	4.2 + 6.8	40.6	14.4 + 26.2	..	14.4	+ 26.2
0. Total Current Transactions	92.0	125.7	-33.7	100.8	107.5	-6.7	118.7	104.1	+14.6	113.7	124.3	-10.6	425.2	461.6	- 36.4

# REPORT ON CURRENCY AND FINANCE, 1958-59

## DOLLAR AREA (a)

(Crores of Rupees)

Item	April-June 1958			July-September 1958			October-December 1958			January-March 1959			Year: 1958-59 (Preliminary)		
	Credits		Debits	Credits		Debits	Credits		Debits	Credits		Debits	Credits		Debits
	Net			Net			Net			Net			Net		
1. Merchandise															
(i) Private	24.0	12.4	+11.6	20.0	12.3	+7.7	27.4	13.0	+14.4	32.3	12.5	+19.8	103.7	50.2	+53.5
(ii) Government	0.1	38.7	-38.6	0.2	35.7	-35.5	0.2	59.2	-59.0	0.3	62.9	-62.6	0.8	196.5	-195.7
2. Non-monetary gold movement	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3. Foreign Travel	..	1.1	0.3	+0.8	0.9	0.5	+0.4	1.0	0.3	+0.7	1.2	0.3	+0.9	4.2	1.4
4. Transportation	..	1.1	0.6	+0.5	1.0	0.5	+0.5	1.2	0.8	+0.4	1.5	0.7	+0.8	4.8	2.6
5. Insurance	..	0.1	..	+0.1	0.1	0.1	..	0.1	..	+0.1	0.2	..	+0.2	0.5	0.1
6. Investment Income	..	0.1	4.5	-4.4	0.2	1.5	-1.3	0.3	4.5	-4.2	0.5	2.2	-1.7	1.1	12.7
7. Government, not included elsewhere	..	2.9	0.8	+2.1	6.6	0.9	+5.7	6.0	0.7	+5.3	12.4	1.5	+10.9	27.9	3.9
8. Miscellaneous	..	1.4	1.3	+0.1	1.3	1.2	+0.1	1.6	1.2	+0.4	1.2	0.9	-0.3	5.5	4.6
9. Donations															
(i) Official	..	13.6	..	+13.6	9.3	..	+9.3	8.7	..	+8.7	6.9	..	+6.9	38.5	..
(ii) Private	..	2.4	0.3	+2.1	2.3	0.3	+2.0	2.6	0.2	+2.4	2.7	0.1	+2.6	10.0	0.9
10. Total Current Transactions	..	46.8	58.9	-12.1	41.9	53.0	-11.1	49.1	79.9	-30.8	59.2	81.1	-21.9	197.0	272.9

(a) Comprises the United States, other American Account Countries and Canada.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 74—(Contd.)

### O.E.E.C. COUNTRIES

(Crores of Rupees)																
Merchandise	April-June 1958			July-September 1958			October-December 1958			January-March 1959			Year: 1958-59 (Preliminary)			
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net	
	Debits			Debits			Debits			Debits			Debits			
(i) Private	..	12.8	31.4	-18.6	11.2	28.1	-16.9	11.3	29.3	-18.0	14.6	26.2	-11.6	49.9	115.0	-65.1
(ii) Government	..	0.2	30.2	-30.0	—	29.4	-29.4	0.3	20.3	-20.0	0.4	21.3	-20.9	0.9	101.2	-100.3
Non-monetary gold movement	..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Foreign Travel	..	0.1	0.5	-0.4	—	0.4	-0.4	0.1	0.3	-0.2	0.1	0.3	-0.2	0.3	1.5	-1.2
Transportation	..	1.0	1.0	—	0.9	0.9	—	0.7	0.9	-0.2	0.9	0.9	—	3.5	3.7	-0.2
5. Insurance	..	0.1	0.1	—	0.1	0.1	—	0.2	0.1	+0.1	0.1	0.1	—	0.5	0.4	+0.1
6. Investment Income	..	—	0.4	-0.4	—	0.5	-0.5	0.1	0.3	-0.2	—	0.1	-0.1	0.1	1.3	-1.2
Government, not included elsewhere	..	0.1	0.4	-0.3	0.3	0.6	-0.3	0.3	0.5	-0.2	0.5	0.5	—	1.2	2.0	-0.8
Miscellaneous	..	0.9	0.1	+0.8	0.7	0.6	+0.1	0.8	1.0	-0.2	0.8	0.6	+0.2	3.2	2.3	+0.9
Donations																
(i) Official	..	—	—	—	—	—	—	0.1	—	+0.1	—	—	—	0.1	—	+0.1
(ii) Private	..	0.3	0.6	-0.3	0.3	0.4	-0.1	0.2	0.4	-0.2	0.2	0.4	-0.2	1.0	1.8	-0.8
Total Current Transactions	15.5	64.7	-49.2	13.5	61.0	-47.5	14.1	53.1	-39.0	17.6	50.4	-32.8	60.7	229.2	-168.5	

# REPORT ON CURRENCY AND FINANCE, 1958-59

## REST OF NON-STERLING AREA

(Crores of Rupees)

Item	April-June 1958			July-September 1958			October-December 1958			January-March 1959			Year : 1958-59(Preliminary)		
	Credits		Net	Credits		Net	Credits		Net	Credits		Net	Credits		Net
	Debits			Debits			Debits			Debits			Debits		
1. Merchandise															
(i) Private	28.7	27.7 + 1.0	25.0	30.9	- 5.9	32.1	23.0	+ 9.1	31.9	17.9	+ 14.0	117.7	99.5	+ 18.2	
(ii) Government	1.0	30.2 - 29.2	1.0	24.2	- 23.2	0.4	19.9	- 19.5	0.3	17.0	- 16.7	2.7	91.3	- 88.6	
2. Non-monetary gold movement	..	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Foreign Travel	..	0.1 - 0.1	-	0.1	- 0.1	-	0.1	- 0.1	0.2	0.1	+ 0.1	0.2	0.4	- 0.2	
4. Transportation	..	2.2 0.6 + 1.6	2.3	0.3	+ 2.0	2.3	0.7	+ 1.6	2.4	0.3	+ 2.1	9.2	1.9	+ 7.3	
5. Insurance	..	0.5 0.2 + 0.3	0.3	0.2	+ 0.1	0.4	0.1	+ 0.3	0.4	0.1	+ 0.3	1.6	0.6	+ 1.0	
6. Investment Income	..	0.3 0.2 + 0.1	-	0.1	- 0.1	-	0.1	- 0.1	0.1	1.1	- 1.0	0.4	1.5	- 1.1	
7. Government, not included elsewhere	..	0.8 0.4 + 0.4	1.0	0.3	+ 0.7	1.0	0.4	+ 0.6	1.7	0.3	+ 1.4	4.5	1.4	+ 3.1	
8. Miscellaneous	..	0.7 0.4 + 0.3	1.0	0.5	+ 0.5	0.7	0.8	- 0.1	0.9	1.1	- 0.2	3.3	2.8	+ 0.5	
9. Donations															
(i) Official	..	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Private	..	0.5 0.1 + 0.4	0.8	0.1	+ 0.7	0.5	0.1	+ 0.4	0.4	0.1	+ 0.3	2.2	0.4	+ 1.8	
10. Total Current Transactions	34.7	59.9 - 25.2	31.4	56.7	- 25.3	37.4	45.2	- 7.8	38.3	38.0	+ 0.3	141.8	199.8	- 58.0	



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 75

### INDEX NUMBERS OF EXPORTS

(Base: 1952-53=100)

1958

#### Commodity

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

#### Average Value Index

#### I. Food

1. Fruits and vegetables .. ..	88	87	83	80	86	83	88	88	88	88	88	86	84
2. Tea .. ..	132	130	129	127	132	138	152	159	156	149	146	138	
3. Spices .. ..	27	35	31	41	40	56	39	55	35	37	36	30	

#### II. Beverages and Tobacco

4. Tobacco .. ..	55	106	144	97	129	98	56	50	63	62	60	63	
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#### III. Crude materials, inedible, except fuels

5. Hides and skins, undressed .. ..	123	125	140	101	150	145	140	98	104	114	140	136	
6. Oilseeds, oil nuts and oil kernels .. ..	73	93	78	81	90	97	93	96	93	89	90	81	
7. Wool and other animal hair .. ..	128	120	123	117	117	107	114	118	116	116	107	111	
8. Cotton, raw and waste .. ..	83	70	74	77	79	80	79	76	77	75	73	73	
9. Crude minerals excluding coal, petroleum, etc. .. ..	65	69	73	66	74	74	76	77	71	75	78	77	
10. Metalliferous ores and metal scrap .. ..	118	119	115	116	117	94	113	105	98	108	95	97	
11. Natural gums, resins and lac .. ..	113	113	106	102	101	100	102	103	101	101	103	105	

#### IV. Mineral Fuels, Lubricants, etc.

12. Coal .. ..	87	91	84	85	92	88	96	91	99	98	94	97	
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#### V. Animal and Vegetable Oils and Fats

13. Vegetable oils .. ..	83	82	80	78	80	82	76	77	83	75	78	77	
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#### VI. Manufactured goods classified chiefly by materials

14. Leather and manufactures thereof .. ..	123	117	122	120	114	117	118	117	118	113	110	114	
15. Cotton fabrics of standard type .. ..	76	78	77	77	78	85	79	80	80	80	81	81	
16. Fabrics of jute .. ..	75	72	72	71	70	73	72	74	74	76	74	74	
17. Bags and sacks for packing .. ..	67	65	66	64	63	64	62	63	62	62	61	62	

GENERAL .. ..	88	89	89	91	89	93	91	96	96	98	96	94	
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VOLUME INDEX OF TOTAL EXPORTS	127	97	109	95	104	63	124	107	128	121	110	124	
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Source : Department of Commercial Intelligence and Statistics.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 76

### INDEX NUMBERS OF IMPORTS

(Base: 1952-53=100)

1958

#### Commodity

Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

#### Average Value Index

#### I. Food

1. Dairy products, eggs and honey .. ..	61	90	72	67	52	103	108	97	72	74	86	95
2. Cereals and cereal preparations .. ..	104	117	116	106	102	151	120	100	141	108	108	114
3. Fruits and vegetables .. ..	92	76	78	68	68	66	71	94	86	105	104	82
4. Spices .. ..	83	103	81	97	124	132	221	202	187	241	179	147

#### II. Beverages and Tobacco

5. Beverages .. ..	109	103	105	91	98	94	112	107	98	101	101	102
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#### III. Crude materials, inedible, except fuels

6. Raw cotton other than linters .. ..	79	81	85	77	73	75	77	86	80	69	77	77
7. Jute, raw .. ..	85	128	124	61a	56a	57a	57	72	53	57	47	66

#### IV. Mineral Fuels, Lubricants, etc.

8. Petroleum products .. ..	100	105	110	103	99	106	112	112	105	108	103	105
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#### V. Animal and Vegetable Oils and Fats

9. Vegetable oils .. ..	128	135	151	153	145	235	163	156	125	192	142	151
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#### VI. Chemicals

10. Chemical elements and compounds ..	96	115	92	94	97	84	100	113	130	135	116	108
11. Dyeing, tanning and colouring materials..	109	98	88	115	89	90	99	90	98	101	93	98

#### VII. Manufactured goods classified chiefly by materials

12. Paper, pasteboard, etc. .. ..	97	98	94	94	91	91	117	93	89	88	89	94
13. Yarn of wool and hair .. ..	111	95	117	35a	46a	125	120	150	100	..	100	80
14. Woollen and worsted fabrics .. ..	155	154	154	132	105	127	133	114	100	173	165	142
15. Iron and steel .. ..	100	108	100	91	100	96	95	88	82	86	83	92
16. Copper .. ..	67	66	65	61	63	65	67	68	72	76	78	68
17. Aluminium .. ..	105	103	99	93	94	89	90	97	88	91	91	94
18. Manufactures of metals .. ..	111	107	129	109	113	75	115	118	112	120	110	114

#### VIII. Machinery and transport equipment

19. Machinery other than electric .. ..	112	156	235a	143	102	367	194	223	215	125	130	150
20. Electric machinery, etc. .. ..	80	77	89	83	91	81	96	89	78	94	96	87
21. Transport equipment .. ..	93	84	87	93	80	95	115	124	119	79a	98	84

GENERAL .. ..	91	91	96	91	86	106	104	102	97	90	97	92
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VOLUME INDEX OF TOTAL IMPORTS	130	130	132	118	136	108	115	98	108	113	127	140
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(a) Provisional

Source : Department of Commercial Intelligence and Statistics.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 77

### MAJOR CHANGES IN IMPORT CONTROLS AND IMPORT POLICY, 1958-59

Item	Month of Announcement	Details
Raw Cotton	April 1958	Decision to permit the import of 30,000 bales of staple length 1-3/16 inches and above from all soft currency areas in terms of the revised Indo-Egyptian Agreement concluded on March 15, 1958. Allotments would be made to mills on the basis of their consumption of such cotton during the preceding three years. Licences would be valid for shipment upto July 31, 1958.
„	May 1958	Decision to permit the import of Pakistan cotton of comparable quality (1-1/16 inches and above) against the quota of 70,000 bales of East African cotton announced in February 1958.
„	June 1958	Permission to import a small quantity of raw cotton from the U.S.A. under the Indo-Burma-U.S. Tripartite Agreement of 1956.
„	August 1958	Announcement of import quotas of raw cotton stapling 1-3/16 inches (30,000 bales) and of stapling 1-1/16 inches (40,000 bales) valid for shipment upto October 31, 1958.
„	October 1958	Issue of import quotas for raw cotton, stapling 1-1/16 inches (10,000 bales) and 1-3/4 inches (20,000 bales) from the soft currency areas valid for shipment upto the end of January 1959. Licences would be issued to actual users i.e., mills and would be valid for shipment upto January 31, 1959.
„	November 1958	Decision to import raw cotton, stapling 1-1/16 inches and above (95,000 bales) from U.S.A. under P.L. 480; half of this quantity would be reserved for distribution under the Export Incentive Scheme for cotton textiles.
„	December 1958	Decision to permit the import of raw cotton of staple length 1-3/16 inches and above (55,000 bales) and 1-1/16 inches and above (1.4 lakh bales) from any country; half of this quantity would be earmarked for allotment under the Export Incentive Scheme for textiles on the basis of Ex-mill value of exports during each of the three calendar years 1954, 1955 and 1956. The balance would be allotted to mills on the basis of their needs. Licences would be valid for shipment upto April 30, 1959. The validity period was extended in March by one month.
„	February 1959	Liberalisation of the policy for import of cotton by mills under the Textile Export Incentive Scheme. Exporting mills would be granted, with effect from the quarter ended March 1959, import quotas for raw cotton equal to 60 per cent of the f.o.b. value of their exports and a special additional entitlement for the two quarters January-March and April-June 1959 of 6-2/3 per cent. Of the imports under this entitlement, the eligible mills would be allowed to retain 10 per cent for their use; the balance would be made available to the Textile Commissioner.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 77—(Contd.)

Item	Month of Announcement	Details
Cinematograph Films	April 1958	Decision to increase the quota for import of unexposed cinematograph films from 40 per cent general and 40 per cent soft to 60 per cent general and 60 per cent soft.
Machine Tools	May 1958	Decision to grant licences for the import of machine tools during April-September 1958, on the basis of a quota of 40 per cent general and 40 per cent soft instead of on an <i>ad hoc</i> basis as before. Licences would be valid for the import of complete machine tools upto 85 % of the face value. The balance would be available for the imports of spare parts.
	December 1958	Policy would be the same as in the preceding period except that the face value of the quotas available for complete machine tools was raised to 92%.
Art Silk Yarn	June 1958	Decision to increase the quota for import of synthetic yarn by actual users from 15 per cent of the face value of licences for art silk yarn to 50 per cent in the case of art silk weaving units and 100 per cent in the case of art silk hosiery factories.
	July 1958	Decision to increase from 10 per cent to 50 per cent of the face value of the actual user licences for art silk yarn which could be utilised for import of bright viscose rayon yarn.
	March 1959	Decision to suspend with effect from 8-3-1959 the export promotion scheme for the import of art silk yarn by exporters of art silk fabrics.
Cars	July 1958	Decision to grant permission to the three licenced automobile manufacturing companies for import of completely knocked down pack for only one type of car which would cost the least in terms of foreign exchange.
	August 1958	Withdrawal of the stipulation regarding deferred payments for the import of equipment for the jute and cement industries and of c. k. d. packs for the manufacture of trucks and jeeps as a result of the decision to finance these imports from the Development Loan Fund.
Steel	November 1958	Decision to allow import of industrial scrap by established importers to the extent of 7½ per cent of the best year's imports while the actual users were allowed to import their certified requirements of alloy and special sheets, tinplate secondaries etc.
	December 1958	Decision to permit import of steel along with plant and machinery by parties whose schemes for establishing new undertakings had been sanctioned and who required steel for construction of factories, provided the value of steel to be imported did not exceed 10 per cent of the total value of capital goods including steel.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 77—(Contd.)

Item	Month of Announcement	Details
Stainless Steel Sheets, Rods, Strips and Wires	December 1958	Decision to issue licences to registered manufacturers-cum-exporters to import stainless steel sheets, rods, strips and wires under Export Promotion Scheme against exports of utensils, watch straps and other manufactures on condition that their exports would be effected within six months of the importation of the licensed items.
Camphor	November 1958	Issue of import licences to the State Trading Corporation for the import of camphor in order to check the steep rise in prices of this commodity.
Import Policy (Interim)	September 1958	Pending finalisation of the import policy for the period October 1958 to March 1959 an interim policy was announced. Under the interim arrangement applications would be entertained from actual users for the import of certain items like lead ingots (pig and scrap), zinc unwrought etc. while the provision for the import of some other items like printing paper, rubber tyres etc., by the actual users during the period April-September 1958 was withdrawn. Import quotas for established shippers were announced for some items notable amongst which was the milk food for infants (the quota for which was raised from 22½% to 30% of base year's imports).
Import Policy October 1958—March 1959	October 1958	<p>The policy provided for a slightly increased allocation of foreign exchange for essential industrial raw materials and for spare parts compared to the allocations during the previous half year and gave special facilities to the exporting industries. Among these, was the offer of special incentives to textile mills to step up the level of exports by linking the import of individual requirements of machinery and raw materials to exports of cloth and yarn. Mills exporting cotton textiles or yarn would be granted licences for the import of coal tar dyes, raw materials, textile chemicals and gums on the following basis :—</p> <ol style="list-style-type: none"> <li>4% of the <i>f.o.b.</i> value of exports of <i>grey cloth or yarn</i> to countries other than U.S.A., West Germany and the Scandinavian countries and 8% of the <i>f.o.b.</i> value of such exports to these latter countries, viz. U.S.A., West Germany and the Scandinavian countries,</li> <li>6% of the <i>f.o.b.</i> value of exports of <i>dyed or processed</i> cloth to countries other than U.S.A., West Germany and the Scandinavian countries and 8% of the <i>f.o.b.</i> value of such exports to U.S.A., West Germany and the Scandinavian countries,</li> <li>10% of the <i>f.o.b.</i> value of the exports of <i>hand-loom cloth</i> by co-operative societies of weavers for the import of dyes, chemicals and yarn. The scheme was modified in February 1959 to cover registered processors and exporters by granting them entitlements of 2% and 1% respectively. Entitlements of mills were reduced to 5% in the case of their exports to U.S.A., West Germany and the Scandinavian countries and to 3% in other cases.</li> </ol>

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 77—(Contd.)

Item	Month of Announcement	Details
Import Policy April— September 1959	March 1959	An important change in the policy was the provision made for issue of licences for imports of raw materials on a comparatively long term basis in order to enable large industrial units to plan their purchases. Adjustments in import quotas include (1) increase in the quotas for established importers in respect of some 53 commodities including asbestos packings, fractional horsepower motors, garage tools, hydro-sulphite of soda, gum arabic, cork manufactures, bleaching powder, dyeing and tanning substances and certain surgical and mathematical instruments and (2) slight reduction in the quotas for antimony ingots, leather belting, certain electrical equipments, cotton fabrics and a few items of textile accessories.
Open General Licence	December 1958	A new open general licence, O.G.L.IV was issued for import by all persons, from Pakistan, valid for three months upto March 1959. The O.G.L. covered raw skins of lizards and reptiles in addition to fish included in the previous open general licences. (O.G.L.III and O.G.L.IV) which were issued for the periods July-September 1958 and October-December 1958, respectively.

## STATEMENT 78

### SOME IMPORTANT EXPORT CONTROL ANNOUNCEMENTS, 1958-59

Item	Month of Announcement	Details
Raw Cotton	April 1958	Extension of the shipment period by one month till May 31, 1958 in respect of the quota of 50,000 bales of Bengal Deshi cotton released in October 1957.
"	May 1958	Decision to release for export 50,000 bales of Indian cotton on a 'first-come-first-served' basis subject to an individual quantitative ceiling.
"	August 1958	Granting of additional quotas of raw cotton of Bengal Deshi variety (30,000 bales), old cotton (other than Bengal Deshi) of the 1956-57 and earlier seasons (20,000 bales) and raw cotton stapling 3/4" and below (40,000 bales). Licences would be issued on a 'first-come-first-served' basis subject to an individual ceiling of 10%.
"	September 1958	The quotas of raw cotton released in August 1958 were raised from 30,000 bales to 35,000 bales, from 20,000 bales to 30,000 bales and from 40,000 bales to 61,200 bales by adding the unutilised balances out of the quotas issued during the 1957-58 cotton season. The period of shipment was extended by one month upto November 30, 1958 or till the ceiling was reached whichever was earlier. The ban imposed on the export of Coconada cotton in September 1956 was withdrawn with immediate effect on 12-9-1958.
"	October 1958	<p>Quotas of 1.5 lakh bales of Bengal Deshi cotton and 1 lakh bales of cotton other than Bengal Deshi not above 3/4" in staple valid for shipment upto March 1959 were released for export. Of this, 15% of the quota of each variety would be reserved for co-operative societies and the balance licensable on a 'first-come-first-served' basis subject to a maximum of 10% per shipper from all ports.</p> <p>Also the quota of 30,000 bales of old cotton of 1956-57 and earlier seasons as raised in September 1958 was further raised to 50,000 bales and the validity period for shipment was extended by one month upto December 31, 1958. It was also decided to include old cotton of 1957-58 season of the same staple length in the export quota.</p>
"	November 1958	An aggregate quantity of 2.5 lakh bales of raw cotton (comprising one lakh bales of Bengal Deshi and 1.5 lakh bales of raw cotton other than Bengal Deshi with staple length upto 3/4") was released for export during the current month in addition to the 2.5 lakh bales announced in October 1958. Licences issued against this quantity would be valid for shipment upto the end of the season (August 31, 1959). Allotment would be on the same basis as in October 1958.
"	March 1959	Decision to allow a transfer of unshipped contracts for export of cotton to the next period April/August 1959 provided the shipment against such contracts were made not later than April 15, 1959.
Tea	May 1958	Decision to release for export an interim quota of 50% of the crop of tea estates for 1958-59 pending final allotment for the year.
"	June 1958	Announcement of the second interim quota for 1958-59 to the extent of 10% of the crop of the tea estates bringing the aggregate release to 60%.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 78—(Contd.)

Item	Month of Announcement	Details
Tea (contd.)	September 1958	Announcement of the third interim release of the tea export quota for 1958-59 to the extent of 5% of the crop of tea estates bringing the aggregate release so far made to 65%.
	January 1959	Announcement of the export allotment of tea for the year 1958-59 at 67% of the crop basis of the tea estates as against 63.44 per cent last year.
Coffee	April 1958	Decision to release for export by the Coffee Board 1,659 tons of coffee out of 1957-58 crop.
	May 1958	Decision to release 1,147 tons of coffee out of 1958-59 crop for export by the Coffee Board.
Manganese Ore	April 1958	Decision to permit export of manganese ore of all descriptions by shippers and miners without any grade restrictions.
	May 1958	Exports during July 1958-June 1959 would be regulated as follows: (i) As in the preceding year, established shippers and mine-owners would be granted quotas equal to 60 per cent of their best year exports and the State Trading Corporation would be granted <i>ad hoc</i> quotas with a view to maximising exports of manganese ore, (ii) small quota-holders forming themselves into co-operatives or limited companies having an aggregate quota of 25,000 tons would be given bonus quotas equal to 10 per cent of such aggregate quotas, and (iii) exports of low-grade ore from Garividi, Srikakulam, etc. would continue to be licensed freely.
	January 1959	Granting of <i>ad hoc</i> quotas in respect of manganese ore to those shippers who would either secure bulk business in excess of their quotas or negotiate long-term contracts for deliveries beyond June 1959 for three years thereafter under certain specified conditions.
Groundnut Oil	June 1958	Permission was granted for export of groundnut oil (which was banned since 1956) within a ceiling of 20,000 tons by exporters who effected exports of this oil during any one of the three preceding years ending March 1956. They would be granted quotas equal to 15% of their best year exports. Allotments would be valid for shipment upto September 30, 1958. Validity period was subsequently extended upto June 30, 1959.
H. P. S. Groundnuts	June 1958	Export of H. P. S. groundnuts (which was under ban) would be allowed within a ceiling of 10,000 tons by exporters who exported the commodity during any of the years 1949-1955. They would be granted quotas equal to 10% of their best year exports. Allotments would be valid for shipment upto September 30, 1958.
	August 1958	Granting of additional (bonus) quotas of 2 and 3 tons respectively for every ton of H. P. S. groundnuts and groundnut oil exported by the shippers before September 30, 1958 and the validity period of licences was extended upto December 1958. It was further extended upto March 1959 in October 1958 and upto June 30, 1959 in December 1958.
	November 1958	Granting of additional export quota of 25,000 tons of H. P. S. groundnuts during the period ending March 1959. Licences would be granted to established shippers to the extent of 25% of their best year exports during the years 1949 to 1955.



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 78---(Contd.)

Item	Month of Announcement	Details
H. P. S. Groundnuts and Groundnut Oil	March 1959	Allotment of repeat quotas in respect of H.P.S. groundnuts and groundnut oil to established shippers equal to 25% and 15% of their basic year's exports, respectively, to be utilised only after the completion of the shipments against the quotas announced previously.
Groundnut Oil Cake (Expeller Variety)	June 1958	Release of a quota of 30,000 tons of groundnut oil cake.
	October 1958	Release of 10,000 tons valid for shipment upto December 31, 1958 and licensable to established shippers upto 10% of the exports during any one of the three calendar years 1955, 1956 and 1957, subject to a maximum of 200 tons per shipper.
	November 1959	Release of an additional quota of 20,000 tons.
"	January 1959	Release of a quota of 20,000 tons. Decision to allow export of one ton of groundnut oil cake for each ton of groundnut oil exported henceforth by established shippers. The concession would be valid upto February 1959.
"	March 1959	Permission to export 3½ tons and 4 tons of groundnut oil cake (expeller variety) for every ton of groundnut oil and salad oil respectively exported by established shippers against contracts concluded during the period March-May 1959.
Other Oil Cakes	June 1958	Release of a quota of 5,000 tons of linseed oil cake.
"	July 1958	Release of 10,000 tons of linseed oil cake and of 10,000 tons of coconut oil cake valid for shipment upto September 1958.
"	March 1959	Release of a quota of 15,000 tons of linseed oil cake without any restriction as to the maximum quantity to be shipped by an individual exporter during the period April-September 1959. Release of quota of 15,000 tons of coconut oil cake during April-September 1959, without any restriction as to the maximum quantity to be shipped by an individual exporter. Release of quota of 10,000 tons of niger seed oil cake without any restriction on the individual shipment during April-September 1959. Release of quota of 5,000 tons of kardi seed oil cake. Release of a quota of 10,000 tons of undecorticated cotton seed oil cake during April-September 1959 without any restriction on individual shipment. Release of an aggregate quota of 4,000 tons of other oil cakes.
Oil Seeds	June 1958	Release of a quota of 5,000 tons of kardi seed.
"	July 1958	Release of quotas of 5,000 tons each of kardi seed and niger seed valid for shipment upto September and October 1958, respectively.
"	November 1958	Release of a quota of 5,000 tons of sesame seed to exporters of sesame oil.
"	February 1959	Shippers of sesame seed oil would be granted permission to export three tons of seed (instead of one ton as hitherto) for each ton of oil exported by them.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 78—(Contd.)

Item	Month of Announcement	Details
Mustard Oil	August 1958	Release of a quota of 5,000 tons of mustard oil valid for shipment upto September 30, 1958. Shipment period extended in October upto March 31, 1959 or till the ceiling was reached, whichever was earlier.
Sugar	June 1958	Promulgation of an ordinance on June 27, 1958 empowering the Government of India to release specified quantities of sugar for export and to fix export quotas of individual mills in proportion to their production. Under the ordinance, the Government decided to allow 50,000 tons of sugar to be exported during the sugar season ending October 31, 1958.
..	December 1958	Release for export one lakh tons of sugar during the period ending October 31, 1959.
Cotton Piece-goods	May 1958	Decision to licence freely for export all varieties of cotton piece-goods (mill made and power loom) and cotton manufactures including cotton waste blankets other than restricted varieties upto December 31, 1958.
Staple Fibre Yarn	June 1958	Release of a quota of 1.5 million lbs. Exports would be allowed freely on a 'first-come-first-served' basis during the period July-December 1958.
..	January 1959	Release of a quota of 1.5 million lbs. on a 'first-come-first-served' basis during January-June 1959.
Raw Jute	December 1958	Decision to allow export of a limited quantity of raw jute during the June year 1958-59 (July-June) as part of Government's measures to assist jute growers of West Bengal, Assam and Bihar.
..	February 1959	Decision in pursuance of the above to canalise exports through the State Trading Corporation on an <i>ad hoc</i> basis.
Cement	July 1958	Release for export a quota of cement upto 2 lakh tons.
Coal	September 1958	Release for export a quota of 2 lakh tons of metallurgical coal during the year.
Raw Wool	October 1958	Exports during October 1958-March 1959 would be regulated as follows: - (a) on consignment basis: Licences would be issued on a 'first-come-first-served' basis subject to production of certificate or 'Agmark' grading and upto 100 bales per shipper from all ports; (b) on contract basis subject to production of contract and certificate of "Agmark" grading.
..	March 1959	Policy during April-September 1959 would be the same as in the preceding half-year.
Abolition of Control	August 1958	Freeing of about 200 commodities from the scope of export control. The items included cotton textiles, jute goods, castor oil, vanaspati, electrical instruments and appliances, manufactures of iron and steel, aluminium and brass.

## STATEMENT 79

## CHANGES IN EXPORT DUTIES, 1958-59

<i>Item</i>	<i>Unit</i>	<i>From</i>	<i>To</i>	<i>Effective from</i>
<i>Vegetable Oils and Oil Seeds (a) :</i>				
Groundnut oil	Ton	Rs. 150	Nil	June 30, 1958
Castor oil	"	Rs. 175	Rs. 100	April 8, 1958
Castor oil	"	Rs. 100	Nil	June 30, 1958
Sesamum oil	"	Rs. 75	"	July 9, 1958
Niger seed	"	Rs. 150	Rs. 50	April 8, 1958
Niger seed	"	Rs. 50	Nil	July 9, 1958
Sesamum seed	"	Rs. 150	"	" " "
Kardi seed	"	Rs. 150	"	" " "
Linseed	"	Rs. 25	"	" " "
Groundnut	"	Rs. 300	"	" " "
<i>Cotton Raw and Waste :</i>				
Raw Cotton	Bale	Rs. 50	Rs. 25	Nov. 17, 1958
<i>Ores :</i>				
<i>Manganese Ore</i>				
Ore with manganese content 42-44%	Ton	Rs. 10	Nil	Nov. 24, 1958
Ore with manganese content above 44%	"	Rs. 30	"	" " "
<i>Tea</i>	Lb.	nP. 38	nP. 26	Sept. 28, 1958
"	"	nP. 26	nP. 24	March 1, 1959

(a) Export duties on all vegetable oils and oilseeds other than those specified, leviable at the rates of Rs. 300 per ton and Rs. 150 per ton, respectively, were abolished with effect from August 23, 1958.

## STATEMENT 80

## INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	April- June 1957	July- Sept. 1957	October- Dec. 1957	January- March 1958	April 1957- March 1958	April- June 1958	July- Sept. 1958	October- Dec. 1958	January- March 1959	April 1958- March 1959
1. Iron and Steel ..	46,94	35,01	28,65	26,23	<b>1,36,83</b>	20,90	21,20	29,47	20,80	<b>92,37</b>
2. Non-ferrous base metals	10,80	10,73	8,83	9,07	<b>39,43</b>	8,08	8,20	8,40	7,37	<b>32,05</b>
3. Manufactures of metals.	6,20	5,48	23,04	3,79	<b>38,51</b>	3,03	3,81	8,59	5,23	<b>20,66</b>
4. Machinery, other than electric .. ..	44,64	41,12	49,92	43,26	<b>1,78,94</b>	28,95	29,95	37,72	33,69	<b>1,30,31</b>
5. Electric Machinery, apparatus and appliances .. ..	15,43	15,59	18,16	14,28	<b>63,46</b>	11,95	11,60	11,21	11,80	<b>46,56</b>
6. Railway Vehicles ..	5 05	6,68	10,19	6,29	<b>28,21</b>	7,25	7,10	8,94	6,67	<b>29,96</b>
7. Other Transport equipments .. ..	11,74	11,06	11,57	7,20	<b>41,57</b>	6,72	6,52	9,47	8,49	<b>31,20</b>
8. Petroleum & Petroleum products .. ..	32,09	25,87	32,01	19,14	<b>1,09,11</b>	16,36	18,07	22,27	14,80	<b>71,50</b>
9. Chemical Elements and Compounds .. ..	7,66	8,31	5,75	5,92	<b>27,64</b>	6,53	7,53	8,46	8,37	<b>30,89</b>
10. Medicinal and Pharmaceutical Products ..	4,66	4,75	3,48	2,88	<b>15,77</b>	2,45	2,67	2,20	1,95	<b>9,27</b>
11. Dyeing, Tanning and Colouring materials ..	3,78	3,63	2,77	1,77	<b>11,95</b>	1,94	2,74	2,32	2,11	<b>9,11</b>
12. Paper, Paper-board and manufactures thereof. .	3,57	3,78	2,71	2,20	<b>12,26</b>	1,51	2,19	2,36	1,94	<b>8,00</b>
13. Cereals and Cereal preparations .. ..	3,65	14,66	30,30	12,00	<b>60,61</b>	29,35	15,12	92,38	22,35	<b>1,59,20</b>
14. Spices .. ..	68	78	70	46	<b>2,62</b>	54	1,47	37	85	<b>3,23</b>
15. Cashew nuts .. ..	2,24	1,17	1,55	2,05	<b>7,01</b>	2,12	1,79	1,51	2,25	<b>7,67</b>
16. Vegetable oils, non-essential .. ..	1,42	1,33	1,04	1,12	<b>4,91</b>	1,14	1,02	56	61	<b>3,33</b>
17. Cotton, raw and waste.	15,52	11,90	4,93	8,43	<b>40,78</b>	11,20	5,04	5,99	6,12	<b>28,35</b>
18. Wool and other animal hair .. ..	3,82	3,28	3,06	3,03	<b>13,19</b>	3,01	2,95	2,09	2,32	<b>10,37</b>
19. Jute, including jute cuttings and waste ..	1,52	1,99	2,31	99	<b>6,81</b>	1,39	52	49	25	<b>2,65</b>
20. Others .. ..	40,69	40,30	40,27	32,71	<b>1,53,97</b>	22,81	31,83	38,01	36,85	<b>1,29,50</b>
<b>Total Imports(a) ..</b>	<b>2,62,10</b>	<b>2,47,42</b>	<b>2,81,24</b>	<b>2,02,82</b>	<b>9,93,58</b>	<b>1,87,23</b>	<b>1,81,32</b>	<b>2,92,81</b>	<b>1,94,82</b>	<b>8,56,18</b>

Note.—Figures are provisional

(a) Includes the value of articles under reference, but excludes treasure imports.

Source: Monthly statistics of the Foreign Trade of India published by the Department of Commercial Intelligence and Statistics.

## STATEMENT 8I

## INDIA'S EXPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	Apr.- June 1957	July- Sept. 1957	Oct.- Dec. 1957	Jan.- March 1958	April 1957- March 1958	Apr.- June 1958	July- Sept. 1958	Oct.- Dec. 1958	Jan.- March 1959	April 1958- March 1959
1. Tea ... ..	12,65	35,83	38,21	26,96	113,65	20,46	42,52	46,60	20,11	1,29,69
2. Jute manufactures(a)...	24,09	35,55	23,24	24,84	107,72	20,74	32,27	23,17	23,86	1,00,04
3. Cotton piecegoods ...	16,21	15,61	12,95	13,50	58,27	10,23	10,86	11,87	12,51	45,47
4. Manganese ore ...	9,04	7,37	7,95	5,34	29,70	3,58	4,01	2,65	3,37	13,61
5. Iron ore and concen- trates ... ..	3,42	3,50	2,17	2,77	11,86	2,48	3,05	1,69	2,50	9,72
6. Leather and leather manufactures ...	6,01	5,76	4,64	4,68	21,09	4,25	4,94	4,48	5,25	18,92
7. Oils, vegetable, non- essential ... ..	3,76	3,31	1,22	2,31	10,60	2,04	2,09	1,01	1,23	6,37
8. Cashew kernels ...	3,86	4,55	3,66	3,09	15,16	3,58	4,44	4,36	3,47	15,85
9. Cotton raw and waste .	6,98	2,22	1,98	3,36	14,54	6,95	6,45	4,44	4,79	22,63
10. Tobacco, unmanu- factured ... ..	6,72	2,50	73	4,68	14,63	5,96	3,19	87	4,66	14,68
11. Lac ... ..	1,74	1,67	1,64	1,79	6,84	1,48	1,40	1,21	1,61	5,70
12. Wool and other animal hair ... ..	3,99	3,65	2,16	2,35	12,15	1,93	3,10	1,97	2,66	9,66
13. Coir fibres, yarn and manufactures ...	1,83	2,11	2,26		8,11	1,69	1,91	2,66	1,97	8,23
14. Spices ... ..	1,84	1,62	1,70	2,85	8,01	1,60	2,07	2,31	2,03	8,01
15. Mica & manufactures thereof ... ..	2,58	2,41	2,20	2,38	9,57	2,34	2,77	2,71	2,59	10,41
16. Hides and skins, un- dressed ... ..	1,98	1,90	1,21	1,66	6,75	1,93	1,56	2,02	2,63	8,14
17. Coal, coke and briquet- tes ... ..	1,29	1,59	1,04	1,34	5,26	1,36	1,48	1,40	1,36	5,60
18. Essential oils, perfumes and flavouring materials ... ..	49	86	91	60	2,86	41	55	63	44	2,03
19. Others ... ..	39,39	44,41	39,84	34,40	158,04	25,11	32,73	40,18	37,82	135,84
<b>Total Exports (b) ...</b>	<b>147,87</b>	<b>176,42</b>	<b>149,71</b>	<b>140,81</b>	<b>614,81</b>	<b>118,12</b>	<b>161,39</b>	<b>156,23</b>	<b>134,86</b>	<b>570,60</b>

Note.—Figures are provisional.

(a) Includes fabrics of jute, hessian bags, sacking bags etc.

(b) Includes the value of articles under reference and lend-lease silver exported to the U.S.A. but excludes re-exports, transit trade and treasure exports.

Source: Monthly Statistics of the Foreign Trade of India published by the Department of Commercial Intelligence and Statistics.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 82

### EXPORTS OF TEA TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April- June 1957	July- Sept. 1957	Oct.- Dec. 1957	Jan.- March 1958	April 1957- March 1958	April- June 1958	July- Sept. 1958	Oct.- Dec. 1958	Jan.- March 1959	April 1958- March 1959
<b>Sterling Area</b>										
U.K. .. ..	6,36	26,14	25,22	15,27	<b>72,99</b>	11,06	30,80	32,35	9,30	<b>83,51</b>
Irish Republic .. ..	17	93	2,29	1,56	<b>4,95</b>	6	1,10	1,51	1,17	<b>3,84</b>
Australia .. ..	30	36	72	30	<b>1,68</b>	70	37	28	22	<b>1,57</b>
Kuwait .. ..	35	20	15	19	<b>89</b>	21	12	14	17	<b>64</b>
<b>Other Soft Currency Area</b>										
Sudan .. ..	41	16	9	78	<b>1,44</b>	1,70	25	4	23	<b>2,22</b>
Chile .. ..	8	1	5	17	<b>31</b>	7	4	3	4	<b>18</b>
Egypt .. ..	90	33	1,32	1,75	<b>4,30</b>	1,20	1,29	1,14	1,69	<b>5,32</b>
<b>O.E.E.C.</b>										
W. Germany .. ..	25	53	26	26	<b>1,30</b>	41	48	29	25	<b>1,43</b>
France .. ..	—	1	—	—	<b>1</b>	1	1	—	1	<b>3</b>
Netherlands .. ..	8	16	10	28	<b>62</b>	20	17	10	16	<b>63</b>
Italy .. ..	1	3	1	1	<b>6</b>	1	3	1	1	<b>6</b>
<b>Dollar Area</b>										
U.S.A. .. ..	1,01	1,59	1,69	1,87	<b>6,16</b>	1,07	1,75	1,89	1,58	<b>6,29</b>
Canada .. ..	56	1,44	1,23	1,59	<b>4,82</b>	1,15	1,30	1,28	1,10	<b>4,83</b>
<b>Total (a) (Including others)</b>	<b>12,65</b>	<b>35,83</b>	<b>38,21</b>	<b>26,96</b>	<b>113,65</b>	<b>20,46</b>	<b>42,52</b>	<b>46,60</b>	<b>20,11</b>	<b>129,69</b>

(a) Includes tea green and tea black.

Source : Monthly Statistics of India's Foreign Trade published by the Department of Commercial Intelligence and Statistics.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 83

### EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April- June 1957	July- Sept. 1957	Oct.- Dec. 1957	Jan.- March 1958	April 1957- March 1958	April- June 1958	July- Sept. 1958	Oct.- Dec. 1958	Jan.- March 1959	April 1958- March 1959
(Gunny Cloth)										
<b>Sterling Area</b>										
U.K. . . . .	36	94	85	1,26	3,41	1,23	1,14	1,68	1,45	5,50
Australia . . . . .	76	71	49	52	2,48	53	64	68	65	2,50
New Zealand . . . . .	15	21	12	12	60	12	15	16	10	53
<b>Other Soft Currency Area</b>										
Egypt . . . . .	10	11	23	28	72	12	30	1	5	48
Uruguay . . . . .	29	63	8	—	1,00	—	55	6	6	67
Argentine . . . . .	2,26	5,17	1,12	1,02	9,57	1,36	5,05	1,69	1,07	9,17
<b>Dollar Area</b>										
U.S.A. . . . .	6,84	6,69	6,75	8,27	28,55	5,56	7,39	7,64	9,85	30,44
Canada . . . . .	1,19	1,68	84	1,49	5,20	1,18	1,82	97	1,46	5,43
Total (including Others) . . . . .	12,58	17,57	12,04	14,53	56,72	11,44	17,96	14,50	16,47	60,37
(Gunny Bags)										
<b>Sterling Area</b>										
U.K. . . . .	55	39	35	54	1,83	51	59	23	42	1,75
Australia . . . . .	12	25	19	13	69	12	34	6	10	62
Burma . . . . .	1,37	69	7	41	2,54	14	22	12	9	57
Nigeria . . . . .	60	66	55	42	2,23	68	74	23	13	1,78
<b>Other Soft Currency Area</b>										
Egypt . . . . .	1,24	1,34	1,41	6	4,05	31	89	28	22	1,70
Peru . . . . .	23	27	23	37	1,10	19	15	13	28	75
Thailand . . . . .	58	60	66	56	2,40	13	27	29	—	69
<b>Dollar Area</b>										
U.S.A. . . . .	3	2	1	4	10	1	5	6	8	20
Cuba . . . . .	23	3,75	1,86	3	5,87	4	3,18	1,01	11	4,34
Total (Including Others) . . . . .	8,90	13,31	9,92	8,61	40,74	6,46	10,73	6,61	5,71	29,51

Source : Monthly Statistics of the Foreign Trade of India published by the Department of Commercial Intelligence and Statistics.

## STATEMENT 84

### EXPORTS OF COTTON YARN AND MANUFACTURES\*

(Lakhs of Rupees)

	April- June 1957	July- Sept. 1957	Oct.- Dec. 1957	Jan.- March 1958	April 1957- March 1958	April- June 1958	July- Sept. 1958	Oct.- Dec. 1958	Jan.- March 1959	April 1958- March 1959
<b>Sterling Area Countries:</b>										
United Kingdom	3,75	3,27	3,41	3,00	13,43	2,44	2,55	3,28	3,96	12,23
Ceylon ... ..	1,26	1,42	1,05	1,29	5,62		1,17	1,61	1,08	4,68
Burma ... ..	1,19	1,46	30	17	3,12		17	15	1,24	1,78
Australia ... ..	1,35	1,35	1,34	1,13	5,17	1,27	1,34	1,23	1,15	4,99
Malaya ... ..	87	79	1,08	99	3,73	90	80	1,11	1,04	3,85
Br. East Africa ...	1,93	1,79	1,27	1,06	6,05	1,11	1,19	1,27	1,22	4,79
Aden ... ..	97	61	73	75	3,06		65	81	71	2,86
<b>Other Soft Currency Countries:</b>										
Indonesia ... ..	85	33	1,00	8	2,26	24	18	45	4	91
Sudan ... ..	1,17	70	1,38	1,43	4,68	99	33	8	4	1,44
Ethiopia and Eritrea ...	79	69	1,09	74	3,31	21	35	72	73	2,01
<b>Total (including others)...</b>	<b>20,06</b>	<b>19,10</b>	<b>19,86</b>	<b>17,14</b>	<b>76,16</b>	<b>14,42</b>	<b>14,48</b>	<b>16,22</b>	<b>17,37</b>	<b>62,49</b>

\*Figures are provisional and subject to revision.

Source: Records of the Exchange Control Department of the Reserve Bank of India.

Due to non-availability of the data relating to the exports of cotton piecegoods on a quarter-cum-country basis from the D.G.C.I. & S., the Exchange Control data have been used.



## STERLING TRANSACTIONS OF THE

## FORWARD CONTRACTS

		Purchases(a)		Sales(b)		Net Purchases (+) Sales (—)	
		£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs
1	1950-51 ..	344,098	458,80	21,526	28,73	+ 322,572	+ 430,07
2	1955-56 ..	98,150	130,87	4,985	6,64	+ 93,165	+ 124,23
3	1956-57 ..	91,420	121,90	11,130	14,85	+ 80,290	+ 107,05
4	1957-58 ..	42,022	56,05	29,525	39,40	+ 12,497	+ 16,65
5	1958-59 ..	44,226	58,97	17,610	23,50	+ 26,616	+ 35,47
6	April 1957 ..	3,940	5,25	700	93	+ 3,240	+ 4,32
7	May ..	2,285	3,05	6,235	8,32	— 3,950	— 5,27
8	June ..	825	1,10	12,770	17,05	— 11,945	— 15,95
9	July ..	380	51	4,720	6,30	— 4,340	— 5,79
10	August ..	2,900	3,87	1,835	2,45	+ 1,065	+ 1,42
11	September ..	4,145	5,53	800	1,07	+ 3,345	+ 4,46
12	October ..	6,822	9,10	840	1,12	+ 5,982	+ 7,98
13	November ..	1,818	2,42	525	70	+ 1,293	+ 1,72
14	December ..	3,492	4,66	670	89	+ 2,822	+ 3,77
15	January 1958 ..	1,620	2,16	30	4	+ 1,590	+ 2,12
16	February ..	6,305	8,41	400	53	+ 5,905	+ 7,88
17	March ..	7,490	9,99	—	—	+ 7,490	+ 9,99
18	April ..	1,310	1,75	250	33	+ 1,060	+ 1,42
19	May ..	3,765	5,02	25	3	+ 3,740	+ 4,99
20	June ..	1,350	1,80	13,580	18,13	— 12,230	— 16,33
21	July ..	3,967	5,29	3,125	4,17	+ 842	+ 1,12
22	August ..	3,100	4,13	—	—	+ 3,100	+ 4,13
23	September ..	6,825	9,10	—	—	+ 6,825	+ 9,10
24	October ..	7,700	10,27	—	—	+ 7,700	+ 10,27
25	November ..	4,115	5,49	—	—	+ 4,115	+ 5,49
26	December ..	5,069	6,76	605	81	+ 4,464	+ 5,95
27	January 1959 ..	2,305	3,07	—	—	+ 2,305	+ 3,07
28	February ..	1,090	1,45	25	3	+ 1,065	+ 1,42
29	March ..	3,630	4,84	—	—	+ 3,630	+ 4,84

Note.—Rate for both forward and spot purchases is 1 sh. 6d. : rates for forward and spot sales are 1 sh. 5-11/22 and 1 sh. 5-63/64d, respectively. Totals may not add up owing to rounding and conversion.

(a) Include cancellations of forward sale contracts. (b) Include cancellations of forward purchase contracts.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## MENT 85

### RESERVE BANK OF INDIA (EXCLUDING GOVERNMENT TRANSACTIONS)

#### DELIVERIES

DELIVERIES								TOTAL DELIVERIES		
Spot Transactions				Against Forward Contracts				Purchases (+)		
Purchases		Sales		Purchases		Sales		Net		
£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	£ thousands	Rs. lakhs	
1,075	1,43	88,092	117,56	216,974	289,30	730	97	+ 129,227	+ 172,17	1
10,015	13,36	68,404	91,29	97,230	129,65	—	—	+ 38,841	+ 51,72	2
4,360	5,82	213,003	284,25	65,140	86,83	800	1,07	— 144,303	— 192,67	3
2,800	3,73	129,298	172,53	51,627	68,83	14,425	19,26	— 89,296	— 119,23	4
12,046	16,05	38,367	51,20	47,437	63,23	10,755	14,36	+ 10,361	+ 13,72	5
—	—	19,780	26,40	4,740	6,32	—	—	— 15,040	— 20,08	6
—	—	27,451	36,63	7,755	10,34	100	13	— 19,796	— 26,42	7
10	1	25,495	34,02	8,085	10,78	1,275	1,70	— 18,675	— 24,93	8
—	—	22,790	30,41	5,620	7,49	1,710	2,28	— 18,880	— 25,20	9
150	20	12,245	16,34	4,845	6,46	645	86	— 7,895	— 10,54	10
1,570	2,09	7,635	10,19	3,235	4,31	2,425	3,24	— 5,255	— 7,03	11
140	19	2,797	3,73	2,244	2,99	1,680	2,24	— 2,093	— 2,79	12
55	7	3,207	4,28	1,590	2,12	1,895	2,53	— 3,457	— 4,62	13
10	1	4,026	5,37	3,125	4,17	2,335	3,12	— 3,226	— 4,31	14
110	15	2,911	3,88	1,640	2,19	2,050	2,74	— 3,211	— 4,28	15
200	27	361	48	2,710	3,61	260	35	+ 2,289	+ 3,05	16
555	74	600	80	6,038	8,05	50	7	+ 5,943	+ 7,92	17
75	10	11,782	15,72	3,030	4,04	370	49	— 9,047	— 12,07	18
10	1	7,090	9,46	1,705	2,27	100	13	— 5,475	— 7,31	19
15	2	11,345	15,14	4,210	5,61	—	—	— 7,120	— 10,11	20
—	—	7,005	9,35	1,832	2,44	1,930	2,58	— 7,103	— 9,49	21
—	—	845	1,13	2,753	3,67	2,795	3,73	— 8,887	— 1,19	22
415	55	105	14	5,812	7,75	795	1,06	+ 5,327	+ 6,10	23
60	8	40	5	3,918	5,22	1,030	1,38	+ 2,908	+ 3,87	24
2,433	3,24	—	—	4,125	5,50	1,050	1,40	+ 5,508	+ 7,34	25
3,082	4,11	125	17	6,715	8,95	2,580	3,45	+ 7,092	+ 9,48	26
2,210	2,95	—	—	4,837	6,45	80	11	+ 6,967	+ 9,29	27
850	1,13	30	4	3,115	4,15	—	—	+ 3,935	+ 5,24	28
2,896	3,86	—	—	5,385	7,18	25	3	+ 8,256	+ 11,01	29

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 86

### INDIA'S FOREIGN EXCHANGE RESERVES

(Lakhs of Rupees)

End of				Assets (a)	Movement (increase + decrease —)
1950-51	..	..	..	951,41	+ 28,55
1955-56	..	..	..	824,61	+ 10,47
1956-57(b)	..	..	..	681,10	—143,51
1957-58(b)	..	..	..	421,22	—259,88
1958-59	..	..	..	374,59	— 46,63
April	1957	..	..	651,26	— 29,84
May	"	..	..	609,24	— 42,02
June	"	..	..	606,40	— 2,84
July	"	..	..	556,13	— 50,27
August	"	..	..	534,50	— 21,63
September	"	..	..	505,41	— 29,09
October	"	..	..	484,09	— 21,32
November	"	..	..	467,55	— 16,54
December	"	..	..	448,31	— 19,24
January	1958	..	..	437,50	— 10,81
February	"	..	..	433,56	— 3,94
March	"	..	..	421,22	— 12,34
April	"	..	..	416,95	— 4,27
May	"	..	..	395,93	— 21,02
June	"	..	..	371,71	— 24,22
July	"	..	..	346,09	— 25,62
August	"	..	..	340,59	— 5,50
September	"	..	..	334,96	— 5,63
October	"	..	..	330,16	— 4,80
November	"	..	..	335,85	+ 5,69
December	"	..	..	343,92	+ 8,07
January	1959	..	..	346,85	+ 2,93
February	"	..	..	370,82	+ 23,97
March	"	..	..	374,59	+ 3,77

(a) Include (i) 7.1 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956 at Rs. 21.24 per tola and at Rs. 62.50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956, (ii) foreign assets of the Reserve Bank of India and (iii) Government balances held abroad.

(b) Include net borrowing from the I.M.F. of \$115 million (Rs. 55 crores) during 1956-57 and the stand-by credit of \$72.5 million (Rs. 34.5 crores) during 1957-58.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 87

### INDIA'S BALANCE OF TRADE IN MERCHANDISE (a)

(Sea, Air and Land)

(PRIVATE AND GOVERNMENT)

(Lakhs of Rupees)

Year and Month				Imports (b)	Exports (c)	Balance
				1	2	3
1950-51	..	..		623,36	601,35	— 22,01
1955-56	..	..		704,81	609,41	— 95,40
1956-57	..	..		832,45	612,52	—219,93
1957-58	..	..		993,58	621,31	—372,27
1958-59	..	..		856,18	580,30	—275,88
April	1957	...	...	89,40	47,85	— 41,55
May	"	...	...	85,38	52,83	— 32,55
June	"	...	...	86,23	48,34	— 37,89
July	"	...	...	81,13	55,79	— 25,34
August	"	...	...	83,48	60,25	— 23,23
September	"	...	...	83,29	61,55	— 21,74
October	"	...	...	73,07	53,64	— 19,43
November	"	...	...	78,18	59,02	— 19,16
December	"	...	...	66,58	54,59	— 11,99
January	1958	...	...	69,72	54,77	— 14,95
February	"	...	...	66,21	41,93	— 24,28
March	"	...	...	71,76	46,68	— 25,08
April	"	...	...	59,98	41,73	— 18,25
May	"	...	...	65,38	44,77	— 20,61
June	"	...	...	66,14	28,24	— 37,90
July	"	...	...	67,88	54,76	— 13,12
August	"	...	...	56,58	50,14	— 6,44
September	"	...	...	59,76	59,27	— 49
October	"	...	...	57,69	57,02	— 67
November	"	...	...	70,92	50,80	— 20,12
December	"	...	...	87,69	55,80	— 31,89
January	1959	...	...	67,82	46,07	— 21,75
February	"	...	...	60,76	43,48	— 17,28
March	"	...	...	66,60	48,22	— 18,38

(a) Provisional. (b) Excludes treasure imports. Import trade figures exclude the value of certain special imports of food grains and stores for which full particulars are not available but include the value of articles under reference. (c) Include re-exports, exports of lend-lease silver to the U.S.A., but exclude treasure exports, transit trade and are on f.o.b. basis. Monthly figures are inclusive of the value of articles under reference.

N.B.—Monthly figures are uncorrected and may not add to annual total due to adjustments.

Source : Monthly Statistics of the Foreign Trade of India published by the Department of Commercial Intelligence and Statistics.

# STATEMENT 88

## INDIA'S TRADE AGREEMENTS, 1958-59

Country	Date of Agreement	Duration	Important Imports into India A. Agreements concluded by the Government of India	Important Exports from India
1. Ethiopia	... April 18, 1958	... Valid upto May 31, 1959	...	...
2. Yugoslavia	... April 26, 1958	... Validity of the schedules to the agreement of March 1956 as revised in June 1957 extended upto December 31, 1958 without any modification	...	...
3. Bulgaria	... May 20, 1958	... Validity of the agreement of April 1956 extended upto December 31, 1958.	...	...
4. Rumania	... June 18, 1958	... Validity of the agreement of March 1954 extended upto September 30, 1958, pending negotiations for modification of the agreement.	...	...
"	... September 2, 1958	... Further extended upto December 31, 1958.	...	...
5. Finland	... June 23, 1958	... Validity of the 1951 agreement extended upto December 31, 1958 with slight modifications in commodity schedules.	...	...
6. Afghanistan	... July 10, 1958	... Validity of the agreement of June 1957 extended for one year upto June 21, 1959.	...	...
7. Indonesia	... July 17, 1958	... Validity of the agreement of January 1953 extended upto December 31, 1958.	...	...
"	... December 27, 1958	... Further extended upto June 30, 1959.	...	...

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8. Austria	..	October 14, 1958	..	Validity of the agreement of July 1952 extended upto December 31, 1958.	
9. Poland	...	November 15, 1958	...	Validity of the schedules to the agreement as revised in March 1958 extended upto December 31, 1959.	
10. USSR	...	November 16, 1958	...	Valid from January 1, 1959 to December 31, 1964.	Heavy electrical plant and energetical equipment, construction equipment for irrigation and power projects, mining equipment, agricultural machinery and tractors, building machines, testing machines and laboratory equipment, metals, chemicals, drugs and medicines, cinematograph films, etc.
11. Sweden	...	November 29, 1958	...	Validity of May 1955 agreement extended upto December 31, 1959.	Tea, coffee, spices, vegetable oils, hides and skins, tobacco, lac, mica, essential oils, woollen cloth, jute manufactures, leather and leather manufactures, handicrafts, cinematograph films, etc.
12. East Germany	...	November 3, 1958	...	Validity of the October 1956 agreement extended upto December 31, 1959 with modifications.	
13. Iraq	...	December 29, 1958	...	Valid upto December 28, 1959.	Horses, mules, dates, barley, millets, pulses, rice, wheat and other food grains including beans etc., gallnuts, hides and skins.
					Fruits, fresh including mangoes and bananas, preserved and canned fruits, spices, tea, wood, timber, plywood, coir manufactures, cotton textiles, jute manufactures, cottage industry products, chemicals, drugs and medicines and engineering goods.

STATEMENT 88—(Contd.)

Country	Date of Agreement	Duration	Important Imports into India	Important Exports from India
14. Burma	... September 25, 1958 ...	Protocol to the Agreement of September 1956 modifying the commodity lists etc. would be in force for the duration of the agreement i.e., upto September 24, 1961.		
<b>B. Agreements concluded by the State Trading Corporation</b>				
1. Czechoslovakia (Foreign Trade Corporations, Praha)	January 6, 1959	... January 5, 1960	Textile machinery like complete weaving preparatory machinery, automatic cotton looms, dobbies and other finishing machinery and equipment for dyeing and bleaching departments.	Jute goods, cotton textiles, tea, coffee, spices, lac, manganese ore, cooking fats, oil-cakes, animal hair, handicrafts, leather goods, tobacco, canned fruits, machine tools, coir and coir manufactures.
2. Hungary (Chamber of Commerce)	July 9, 1958	... Valid upto December 31, 1959.	Commodities listed in Schedule A of the Indo-Hungarian Trade Agreement of June 1954 and revised on 15 January 1958.	Commodities listed in schedule B of the Indo-Hungarian Trade Agreement of June 1954 and revised on January 15, 1958.
3. Yugoslavia	... December 19, 1958 ...	Validity of the agreement of December 1957 extended upto December 31, 1961.		
4. Mongolia	... January 14, 1959	... Valid till the conclusion of a trade agreement between the Government of India and the Government of Mongolia.	Wool, hides and skins, furs, meat and butter, living animals, and minerals.	Tea, jute goods, coir and coir manufacture, leather goods, mica, manganese ore, lac, engineering goods, asbestos, handicrafts, tobacco, & spices, handloom products and light engineering goods.

**C. Joint Commanique on Trade and Economic Relations**

1. Saudi Arabia .. April 7, 1958 ..  

The two Governments recognised that closer commercial and economic relations between the two countries would be of mutual benefit, and agreed to (i) remove obstacles to the flow of trade between the two countries, (ii) revive and develop traditional trade in foodstuffs and textiles, and (iii) promote trade in new commodities which could now be exchanged as a result of the rapid economic development taking place in both countries. The two Governments would provide maximum facilities including shipping for the expansion of Indo-Saudi Arabian trade and for the promotion of joint industrial enterprises.

# STATEMENT 89

## TARIFF COMMISSION, 1958-59

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
<b>A. Tariff Inquiries:</b>			
1. Aluminium	Continuance of protection	Protection to the aluminium industry should be continued for a further period of two years, i.e. till December 31, 1960, and the existing rate of duty of 35% <i>ad valorem</i> should be maintained on (1) aluminium in any crude form, including ingots, bars, blocks, etc., and (2) aluminium manufactures, namely plates, sheets, circles, strips & foil, including foil in any form or size ordinarily used as parts and fittings of tea chests.	Accepted
2. Antimony	"	(1) The protective duty on antimony should be reduced from the existing rate of 60 per cent <i>ad valorem</i> to 45 per cent <i>ad valorem</i> or Rs. 45/- per cwt. whichever is higher.  (2) The existing protective duty of 25 per cent <i>ad valorem</i> on crude antimony should be continued.  (3) The protective duties recommended above should remain in force for a further period of five years ending December 31, 1963 subject to a review by the Commission in 1961.	Accepted
3. Artificial Silk	"	Protection granted to the artificial silk and cotton and artificial silk mixed fabrics industry should be discontinued with effect from January 1, 1959.	Accepted
4. Bichromates	"	Protection should be discontinued with effect from January 1, 1959.	Accepted
5. Calcium Carbide	"	Protection should be extended for a further period of three years beyond December 31, 1958 at the existing rate of protective duty, i.e. 50% <i>ad valorem</i> .	Accepted



# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 89—(Contd.)

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
6. Caustic Soda and Bleaching Powder	(1) Continuance of protection	(1) The protective duties on caustic soda, both solid and other sorts, should be retained at existing rates of 30% <i>ad val.</i> (preferential) and 40% <i>ad val.</i> (Standard) as long as the tariff value of Rs. 28 per cwt. on solid caustic soda and Rs. 45/- per cwt. on caustic soda of other sorts is retained. If a change in tariff value is effected in the future, the protective duties should be correspondingly altered. Protection to the caustic soda industry should be continued for a further period of three years that is, till December 31, 1961.	Accepted
		(2) Protection granted to the bleaching powder industry including bleaching paste should be discontinued after December 31, 1958 and the quantum of revenue duty on the products may be fixed according to fiscal considerations.	Accepted
7. Cocoa Powder and Chocolate	"	(1) Protection granted to cocoa powder and covering chocolate industry should be discontinued with effect from December 31, 1958. If import control is substantially relaxed in future, and imports of foreign chocolate and cocoa powder constitute a threat to the industry, the domestic producers may apply for consideration of their case.	Accepted
		(2) The present concession of duty-free import of cocoa beans should continue.	Accepted
8. Electric Motor	"	(1) The existing protective duty of 15 per cent <i>ad valorem</i> should be continued for a further period of three years ending December 31, 1961.	Accepted
		(2) The existing protective duty of 20 per cent <i>ad valorem</i> on the component parts of electric motors, excluding control gear, should be continued for a further period of three years ending December 31, 1961.	Accepted

# REPORT ON CURRENCY AND FINANCE, 1958-59

9. Sericulture	Continuance of protection	(1) Protection should be continued for a further period of five years ending December 31, 1963, and that the existing rates of protective duty on Tariff items Nos. 46, 46(1), 47(a), 47(b), 47(c), 47 (1), 48(a), 48(b) and 48(c) should be maintained.	Accepted
		(2) The present concession of duty-free imports of silk worm seed should be continued.	
10. Soda Ash	"	Protection to the industry should continue for three more years, ending December 31, 1961, and the existing rates of protective duty, standard as well as preferential, should remain in force till that date.	Accepted
11. Engineer's Steel Files and Rasps	"	Rasps should be deprotected. As regards steel files, the period of protection should be extended by another year, i.e. upto December 31, 1960. The existing protective duties should be substituted by the following:—  Not less than 3-7/8 inches and upto and including 5 1/4 inches Rs. 7 per doz. Exceeding 5 1/4 inches but not exceeding 7 inches. Rs. 8 per doz.  Exceeding 7 inches but not exceeding 8 inches " 8 " " " 10 " " 10 " " " 12 " " 12 " " " 14 " " 14 " " " 18 "  where due to manufacturing defects, steel files imported are slightly over-sized. Variations, not exceeding the following amounts from the dimensions, specified above should be allowed, for the purpose of assessment of such steel files to customs duty : Upto and including 6 inches long ... 1/8 inches Over 6 inches upto and including 10 inches long ... 3/16 " Over 10 inches long ... 1/4 "	Accepted

Rs. 11 per doz.  
" 15 "  
" 19 "  
" 26 "  
" 34 "

# STATEMENT 89—(Contd.)

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
12. Para Aminosaleylic Acid Industry	Grant of protection and/or assistance to the industry	There is no case at present for the grant of protection to the Para Aminosaleylic Acid (PAS) industry whether by way of exemption of duty of Meta-amino-phenol (MAP) or protective tariffs or subsidy.	Accepted
B. Price Inquiries:			
Cases referred to the previous years but reports thereon submitted during the year			
13. Cement	Revision of fair prices payable to cement producers.	<p>(1) The final fair ex-works prices of naked cement should be fixed at varying rates ranging from Rs. 54.50 per ton in case of Rohas to Rs. 80.50 per ton in case of Travancore cement, effective from January 1, 1958 to December 31, 1960, except in the case of Dalmia Cement (Bharat) Ltd., the price in respect of which should be in force till the end of 1959 before which date a fresh examination of its costs should take place.</p> <p>(2) the system of rebates allowed by the cement producers to the Central and State Governments in the price of cement supplied to them to be abolished. Alternatively, the State Trading Corporation to be asked to pay the rebate.</p>	<p>The Government of India generally agreed on the principles adopted by the Commission for determining the cost of production of cement and accepted the recommendations subject to the modifications indicated as below:</p> <p>(1) In view of the fact that giving retrospective effect to the Tariff Commission's recommendations would involve administrative and financial complications and since the present arrangements and prices under the cement control order are effective till June 30, 1958, the revised prices will take effect from July 1, 1958.</p> <p>(2) Rebates under rate contract for supply of cement to the Central and State Governments will no longer be payable by the producers, but such rebate will be paid by the State Trading Corporation on such terms as may be agreed upon. Any concessions outside the rate contract on the basis of separate agreements with the Central Government or State Governments will continue to be dealt with between the parties direct.</p> <p>(3) The prices as revised will remain in force until June 30, 1961. The new arrangements do not necessitate any change in the f.o.r. destination price of cement now in force, namely Rs. 117.50 per ton.</p>

## 14. Steel

Retention price of steel payable to TISCO & IISCO.

- (1) The average retention price payable to the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. for the period 1955-56 to 1959-60 on all categories of steel taken together should be increased by Rs. 46/- per ton over and above the increases sanctioned in July 1957.
- (2) The 1954-55 "adjusted retention price" for the Indian Iron & Steel Co. Ltd., should be increased by the same amount and consequently the average amount to be credited by the Company to its Development Fund during the period 1955-56 to 1959-60 will remain unchanged; and that whereas the 1954-55 "adjusted retention price" for the Tata Iron & Steel Co. Ltd. has increased only by Rs. 44 per ton the average amount to be credited by the Company to its Development Fund during the period 1955-56 to 1959-60 should be increased by Rs. 2/- to Rs. 50/- per ton.

- (1) In view of the fact that the increase in excise duty on steel ingots came into effect only from May 16, 1957, Government of India consider that it would not be appropriate to allow this element in the retention price for periods prior to this date. It has, therefore, been decided that the excise duty element should not be spread over the five-year period from April 1, 1955 to March 31, 1960 as proposed by the Tariff Commission, but adjusted on the basis of the actuals. Since the average increase per ton in the retention price excluding the excise duty element payable to the Tata Iron & Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd. on the basis of the Tariff Commission's recommendations for the period 1955-56 to 1959-60, for all categories of steel taken together, works out to Rs. 14/- per ton, it was decided to increase the retention price by the said amount over and above the Rs. 12/- per ton allowed by the Government on July 1, 1957. Adjustments in regard to the increased excise duty on ingot levied from May 15, 1957 will, however, be made only on despatches of steel after that date. On the basis of the incidence of the additional excise duty on finished steel, the adjustment from May 16, 1957 will be at the rate of Rs. 45.74 per ton. The increases mentioned in para (1) above will enable Tata Iron & Steel Co. Ltd., and Indian Iron & Steel Co. Ltd. to credit Rs. 50/- and Rs. 7/- per ton respectively to their Development Fund.
- (2)

STATEMENT 89—(Contd.)

Industries	Purpose	Main Observations of the Commission	Government's Action on the Recommendations
1	2	3	4
15. Steel and Pig Iron	(1) Revision of the retention prices payable to Mysore Iron & Steel Works.	(1) The average retention prices for steel payable to the Mysore Iron & Steel Works for the period April 1, 1955 to March 31, 1959 should be increased by Rs. 42/- per ton on a weighted average basis.	The Government of India decided as follows:— (1) The average retention price payable to the Mysore Iron & Steel Works for the period April 1, 1955 to March 31, 1959 and for all categories of steel taken together should be increased by Rs. 20/- per ton, on a weighted average basis.
		(2) The average retention prices for pig iron of all grades payable to the Mysore Iron & Steel Works for the period April 1, 1955 to March 31, 1959 should be increased by Rs. 6/- per ton on weighted average basis.	
			(2) Adjustments in regard to the increased excise duty on steel ingots levied from May 16, 1957 will, however, be made only on despatches of steel after that date. On the basis of the incidence of the additional excise duty on finished steel, the adjustment from May 16, 1957 will be at the rate of Rs. 42.85 per ton.
			(3) The retention prices payable for all grades of pig iron produced by the Mysore Iron & Steel Works should be increased by Rs. 5/- per ton for the period from April 1, 1955 to March 31, 1959.
			(4) As the effect of the increase is not sufficient to warrant any revision on the grade differentials, the differentials in the prices of pig iron of various grades should be maintained at the same level as those recommended by the Tariff Commission in their 1956 Report. The fair retention prices of various grades of pig iron produced by the Mysore Iron & Steel Works would vary from Rs. 169 to Rs. 200 per ton.

## STATEMENT 90

## INDIA CURRENCY IN CIRCULATION(a)

(Lakhs of Rupees)

Last Friday		Circulation (b)			Increase (+) or Decrease (—) in Circulation (c)			
		Notes	Rupee Coin	Total (f)	Notes	Rupee Coin	Small Coin	Total
		(d)	(e)	(1 + 2)				(4 + 5 + 6)
		1	2	3	4	5	6	7
1950-51	.. ..	1,204,24	138,45	1,342,69	+ 83,89	+ 5,84	— 3,20	+ 86,53
1955-56	.. ..	1,423,47	122,13	1,545,60	+ 189,55	+ 9,15	+ 1,47	+ 200,17
1956-57	.. ..	1,482,92	117,88	1,600,80	+ 59,45	— 4,25	+ 45	+ 55,65
1957-58	.. ..	1,535,96	116,46	1,652,42	+ 53,04	— 1,42	+ 65	+ 52,27
1958-59	.. ..	1,658,36	120,59	1,778,95	+ 122,40	+ 4,13	— 33	+ 126,20
April	1957 .. ..	1,518,74	117,64	1,636,38	+ 35,82	24	+ 1,20	+ 36,78
May	.. ..	1,526,83	120,22	1,647,05	+ 8,09	+ 2,58	+ 41	+ 11,08
June	.. ..	1,499,00	119,50	1,618,50	— 27,83	— 72	— 6	— 28,61
July	.. ..	1,455,66	114,91	1,570,57	— 43,34	— 4,59	— 43	— 48,36
August	.. ..	1,427,46	112,48	1,539,94	— 28,20	— 2,43	— 30	— 30,93
September	.. ..	1,427,94	110,62	1,538,56	+ 48	— 1,86	— 26	— 1,64
October	.. ..	1,443,03	111,33	1,554,36	+ 15,09	+ 71	— 22	+ 15,58
November	.. ..	1,435,49	110,81	1,546,30	— 7,54	— 52	— 24	— 8,30
December	.. ..	1,463,62	112,05	1,575,67	+ 28,13	+ 1,24	— 9	+ 29,28
January	1958 .. ..	1,488,03	114,47	1,602,50	+ 24,41	+ 2,42	+ 18	+ 27,01
February	.. ..	1,502,09	116,08	1,618,17	+ 14,06	+ 1,61	+ 20	+ 15,87
March	.. ..	1,535,96	116,46	1,652,42	+ 33,87	+ 38	+ 24	+ 34,49
April	.. ..	1,575,96	118,00	1,693,96	+ 40,00	+ 1,54	+ 52	+ 42,06
May	.. ..	1,544,61	118,86	1,663,47	— 31,35	+ 86	+ 67	— 29,82
June	.. ..	1,533,93	119,97	1,653,90	— 10,68	+ 1,11	— 3	— 9,60
July	.. ..	1,498,66	114,70	1,613,36	— 35,27	— 5,27	— 40	— 40,94
August	.. ..	1,478,63	112,68	1,591,31	— 20,03	— 2,02	— 32	— 22,37
September	.. ..	1,472,81	110,35	1,583,16	— 5,82	— 2,33	— 33	— 8,48
October	.. ..	1,491,27	111,46	1,602,73	+ 18,46	+ 1,11	— 32	+ 19,25
November	.. ..	1,512,01	112,82	1,624,83	+ 20,74	+ 1,36	— 5	+ 22,05
December	.. ..	1,546,25	113,89	1,660,14	+ 34,24	+ 1,07	— 24	+ 35,07
January	1959 .. ..	1,581,26	116,32	1,697,58	+ 35,01	+ 2,43	— 19	+ 37,25
February	.. ..	1,611,47	118,61	1,730,08	+ 30,21	+ 2,29	+ 11	+ 32,61
March	.. ..	1,658,36	120,59	1,778,95	+ 46,89	+ 1,98	+ 25	+ 49,12

Note :—Figures relate to India currency (for data relating to India and *Hali Sicca* currency see Statement 23).

(a) Includes India currency in circulation outside India. (b) At the end of period. (c) The figures are not adjusted to take account of net inward or outward movements of currency. (d) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment. (e) Estimated. (for details see footnote to Statement 86 of the Report for 1953-54). (f) Figures are (i) inclusive of notes and coin held by banks and at Treasuries and (ii) exclusive of *Hali Sicca* currency and therefore differ from those given in column 5 of Statement 23 which are exclusive of the former and inclusive of the latter upto December 1957.

# STATEMENT 91

## CIRCULATION OF INDIA NOTES BY DENOMINATIONS

End of December	Rs. 2		Rs. 5		Rs. 10		Rs. 100		Rs. 1,000*		Rs. 5,000*		Rs. 10,000*		(Rupees In Lakhs)			
	Ra. 2	Per- centage of (1) to (16)	Ra. 5	Per- centage of (3) to (15)	Ra. 10	Per- centage of (5) to (15)	Ra. 100	Per- centage of (7) to (15)	Ra. 1,000*	Per- centage of (9) to (15)	Ra. 5,000*	Per- centage of (11) to (15)	Ra. 10,000*	Per- centage of (13) to (15)	13	14	15	Total (1+3+5+7+9+11+13)
1950 ..	25.15	2.2	166.03	14.1	483.87	41.1	500.98	42.6	56.37	4.1	9.85	0.7	5.81	0.4	1,176.03			1,372.99
1955 ..	28.66	2.1	159.36	11.6	562.89	41.0	550.05	40.1	52.24	3.5	9.92	0.7	5.73	0.4	1,479.08			1,479.08
1956 ..	28.72	1.9	161.23	10.9	604.66	40.9	616.58	41.7	51.06	3.3	12.91	0.8	8.58	0.6	1,524.23			1,524.23
1957 ..	28.30	1.9	155.66	10.2	615.90	40.4	651.81	42.8	49.25	3.1	10.14	0.6	12.52	0.8	1,608.69			1,608.69
1958 ..	29.41	1.8	156.21	9.7	625.65	38.9	725.51	45.1										

Note.— Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting adjustment and are net of India notes returned from circulation in Aden. Data given in this Statement relate to total notes issued (i.e. notes in circulation plus notes held in the Banking Department of the Reserve Bank).

\* Relate to the new high denomination notes issued from April 1954.

# STATEMENT 92

## MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (DENOMINATION-WISE)

### ABSORPTION (+) OR RETURN (—)

	(Thousands of Rupees)										Total	
	Half rupees(a)	Four anna pieces(b)	Two anna pieces(c)	One anna pieces	Half pice pieces(d)	Single pice(e)	Pie pieces	Ten naye paise	Five naye paise	Two naye paise	One naye paise	Total
1950-51	—1,00.54	— 97.53	— 60.09	— 65.54	— 3.78	+ 7.73	+ 7	+ 3				—3,19.79
1955-56	+ 35.13	+ 59.81	+ 11.61	+ 23.74	+ 6.58	+ 9.69	— 1	— 1				+1,46.54
1956-57	— 16.95	+ 20.99	— 9.66	+ 26.04	+ 6.39	+ 19.14	—84	— 3				+ 45.08
1957-58	— 1.23	+ 15.47	—1,41.54	— 68.22	— 10.24	— 4.91	—64	—14	+1,20.39	+ 66.43	+ 41.94	+ 47.60
1958-59	+ 5.37	+ 12.04	—1,59.93	— 93.92	— 13.49	— 6.96	— 2	—10	+ 99.35	+ 63.59	+ 30.22	+ 30.52
												— 33.33

(a) Since the inauguration of the Reserve Bank in 1935, silver half rupees have been included in statistics relating to small coin; including pure nickel half rupees introduced in May 1946. (b) Including pure nickel four anna pieces introduced in May 1946. (c) Including nickel two anna pieces introduced in 1917-18. (d) Nickel half anna pieces introduced in January 1942. (e) Including single pice pieces with a circular hole issued from February 1943.

**STATEMENT 93****MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (METAL-WISE)****ABSORPTION (+) OR RETURN (—)**

(Lakhs of Rupees)

	1950-51	1955-56	1956-57	1957-58	1958-59
<b>I. Quaternary Silver</b>					
8 annas .. .. .	—1,51	— 61	— 81	— 81	— 26
4 annas .. .. .	—1,34	— 48	— 65	— 58	+ 5
<b>Total Quaternary Silver Coin</b>	<b>—2,85</b>	<b>—1,09</b>	<b>—1,46</b>	<b>—1,39</b>	<b>22</b>
<b>II. Pure Nickel</b>					
8 annas .. .. .	+ 50	+ 96	+ 64	+ 80	+ 32
4 annas .. .. .	+ 41	+1,09	+ 87	+ 76	+ 9
<b>Total Pure Nickel Coin</b>	<b>+ 91</b>	<b>+2,05</b>	<b>+1,51</b>	<b>+1,56</b>	<b>+ 41</b>
<b>III. Nickel-Alloy (a)</b>					
4 annas .. .. .	— 4	— 2	— 1	— 2	— 2
2 annas .. .. .	— 60	+ 12	— 10	—1,42	—1,60
1 anna .. .. .	— 66	+ 24	+ 26	— 68	— 94
$\frac{1}{2}$ anna .. .. .	— 4	+ 7	+ 6	— 10	— 13
10 Naye Paise .. ..	—	—	—	+1,20	+ 99
5 Naye Paise .. ..	—	—	—	+ 66	+ 64
2 Naye Paise .. ..	—	—	—	+ 42	+ 30
<b>Total Nickel-Alloy Coin</b>	<b>—1,34</b>	<b>+ 41</b>	<b>+ 21</b>	<b>+ 7</b>	<b>— 76</b>
<b>Total Nickel Coin (II + III)</b>	<b>— 43</b>	<b>+2,46</b>	<b>+1,72</b>	<b>+1,63</b>	<b>— 35</b>
<b>IV. Copper (b)</b>					
Single Pice .. .. .	+ 8	+ 10	+ 19	— 5	— 7
Half Pice .. .. .	—	—	— 1	— 1	—
Pie Pieces .. .. .	—	—	—	—	—
1 Naya Paisa .. ..	—	—	—	+ 48	+ 31
<b>Total Copper Coin</b>	<b>+ 8</b>	<b>+ 10</b>	<b>+ 18</b>	<b>+ 42</b>	<b>+ 24</b>
<b>V. Total Small Coin (c)</b>	<b>—3,20</b>	<b>+1,47</b>	<b>+ 45</b>	<b>+ 65</b>	<b>— 33</b>

(a) Cupro-nickel and nickel-brass coins. (b) Including bronze coins.

(c) Including negligible amounts of Standard Silver small coins returned from circulation.



## STATEMENT 94

### MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (CIRCLE-WISE)

#### ABSORPTION (+) OR RETURN (—)

(Thousands of Rupees)

	Bangalore	Bombay	Calcutta	Kanpur	Nagpur	New Delhi	Madras	Total
1950-51		—32,43	—1,51,36	—1,14,13		—22,78	+91	—3,19,79
1955-56		+94,03	+25,84	—11,14		+2,53	+35,28	+1,46,54
1956-57	—4,07	+47,24	+3,35	—36,20	+10,95	+1,80	+22,01	+45,08
1957-58	+5,91	+93,08	+12,69	—41,57	—21,31	+7,77	+8,34	+64,91
1958-59	+10,81	+42,76	—53	—35,69	—29,33	+15,14	—36,49	—33,33

## STATEMENT 95

### LOST, DESTROYED AND MUTILATED NOTES, 1958-59

	No. of claims admitted	No. of pieces	Amount of claims admitted Rs.	Amount paid against claims(a) Rs.
Lost or wholly destroyed notes ..	56	104	12,200	1,41,000
Half notes .. .. .	16	31	7,900	4,200
Mutilated notes:—				
Registered (Denominations above Rs. 100) .. .. .	25(b)	38	17,300	4,000
Unregistered (Denominations of Rs. 1 to Rs. 100) .. .. .	96,309(b)	4,57,430	43,08,469.5	38,61,612.5
Government of India one rupee notes .. .. .			4,44,737	4,16,724

(a) Includes amount paid during 1958-59 in respect of claims admitted in previous years.

(b) Excludes figures for soiled notes in respect of the Bombay circle.

REPORT ON CURRENCY AND FINANCE, 1958-59

**STATEMENT 96**

**NOTE FORGERIES (a)**

Year	Rs. 1 (Government of India Notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Total	
						Number	Value Rs.
1950-51 .. ..	2,400	84	1,676	2,783	182	7,125	56,978
1955-56 .. ..	6,136	152	813	2,220	175	9,496	50,205
1956-57 .. ..	3,006	88	834	6,644	3,380	13,952	4,11,792
1957-58 .. ..	1,199	273	629	3,238	131	5,470	50,370
1958-59 .. ..	1,769	540	673	2,272	235	5,489	52,434

(a) Relate to notes received during the year.

**STATEMENT 97**

**PROSECUTIONS ON ACCOUNT OF NOTE FORGERIES**

Year				Fresh Prosecu- tions	Pending at the end of the pre- vious year	Total Trials	Dis- charges	Convic- tions	Pending
1950-51 .. ..	..	..	..	48	43	91	38	28	25
1955-56(a) ..	..	..	..	47	30	77	14	12	51
1956-57(a) ..	..	..	..	40	51	91	14	13	64
1957-58(a) ..	..	..	..	45	64	109	40	16	53
1958-59 .. ..	..	..	..	54	53	107	27	21	59

(a) Revised,

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 98

### MINTAGE OF INDIA RUPEES AND SMALL COIN

(Lakhs of Rupees)

		Bombay Mint		Alipore Mint		Total Coined		Grand Total
		Whole Rupees(a)	Small Coin	Whole Rupees(a)	Small Coin	Whole Rupees(a) (1+3)	Small Coin (2+4)	(5+6)
		1	2	3	4	5	6	7
1950-51	.. ..	2,80	1,08	—	5	2,80	1,12	3,92
1955-56	.. ..	—	5(b)	—	2,55	—	2,60	2,60
1956-57	.. ..	—	1,39(b)	—	2,50	—	3,89	3,89
1957-58	.. ..	—	1,67(b)	—	1,91	—	3,58	3,58
1958-59(c)	.. ..	—	1,72(b)	—	1,61	—	3,33	3,33

(a) Nickel rupees.

(b) Including coins minted at the India Government Mint, Hyderabad (Dn.), the value of these being Rs. 31,950 in 1954-55, Rs. 1,100 in 1955-56, Rs. 8,49,700 in 1956-57, Rs. 15,16,299 in 1957-58 and Rs. 17,54,300 in 1958-59.

(c) Provisional.

## STATEMENT 99

### MINTAGE OF INDIA COINS BY DENOMINATIONS, 1958-59

(Figures in Thousands)

Denomination		Bombay Mint		Alipore Mint		Total	
		Number	Value Rs.	Number	Value Rs.	Number	Value Rs.
Nickel Rupees	.. ..	—	—	—	—	—	—
„ Half Rupees	.. ..	—	—	—	—	—	—
„ Quarter Rupees	.. ..	—	—	—	—	—	—
Cupro-nickel 10 Naye Paise	.. ..	6,62,95	66,30	7,00,80	70,08	13,63,75	1,36,38
„ 5 „ „	.. ..	10,12,80	50,64	9,70,10	48,51	19,82,90	99,15
„ 2 „ „	.. ..	13,99,05	27,98	12,19,10	24,38	26,18,15	52,36
Bronze 1 Naya Paisa(b)	.. ..	27,17,60(a)	27,18(a)	18,34,40	18,34	45,52,00	45,52
Total	.. ..	57,92,40	1,72,09	47,24,40	1,61,31	1,05,16,80	3,33,41

(a) Including coins of the value of Rs. 17,54,300 minted at the India Government Mint, Hyderabad (Dn.).

(b) Provisional.

# REPORT ON CURRENCY AND FINANCE, 1958-59

## STATEMENT 100

### WITHDRAWAL OF SILVER, CUPRO-NICKEL AND COPPER COINS, 1958-59

Rs.

#### I. Uncurrent Coin

##### *Silver Rupees*

Standard Silver Rupees	..	..	..	..	..	..	..	373.00
Defective Quaternary Rupees	..	..	..	..	..	..	..	16,837.00
Other uncurrent rupee coin (shroff marked, soldered, etc.)	..	..						605.00

##### *Silver Small Coin*

Eight Anna	..	..	..	..	..	..	..	—
Four Anna	..	..	..	..	..	..	..	—
<b>Total of Uncurrent Coin</b>	..	..	..	..	..	..	..	<b>17,815.00</b>

#### II. Current Coin (including badly worn and defaced Coins)

##### *Nickel and Nickel-Alloy Coins*

Nickel Rupees	..	..	..	..	..	..	..	15,98,964.00
Nickel Eight Anna	..	..	..	..	..	..	..	6,49,164.00
Nickel -/4/- pieces	..	..	..	..	..	..	..	2,84,911.50
Cupro-nickel† -/2/-pieces	..	..	..	..	..	..	..	1,49,73,235.12
Cupro-nickel† -/1/- „	..	..	..	..	..	..	..	86,71,895.24
Cupro-nickel† -/½/- „	..	..	..	..	..	..	..	13,41,671.34
Cupro-nickel 10 Naye Paise	..	..	..	..	..	..	..	1.50
Cupro-nickel 5 Naye Paise	..	..	..	..	..	..	..	2.05
Cupro-nickel 2 Naye Paise	..	..	..	..	..	..	..	0.06

##### *Copper and Bronze Coins*

Copper Double Pice	..	..	..	..	..	..	..	31.58
Single Pice	..	..	..	..	..	..	..	11,03,553.42
Half Pice	..	..	..	..	..	..	..	432.11
Pie Pieces	..	..	..	..	..	..	..	3,276.03
1 Naya Paisa	..	..	..	..	..	..	..	0.15
<b>Total of Current Coin (including badly worn and defaced Coins)</b>	..	..						<b>2,86,27,138.10</b>

† Including nickel-brass coins.

# STATEMENT 101

## DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1959

### REPORT ON CURRENCY AND FINANCE, 1958-59

Denomination	Gross Weight (Grains)	Composition (Proportion of Metals)	Diameter	Edge	Remarks
Quaternary Alloy Rupee	.. 180	Silver 50 per cent and rest base metal	1.2" Round Coin	Milled and security edged	
" " Half Rupee (a)	.. 90	"	0.95"	"	
" " Quarter Rupee (a)	.. 45	"	0.75"	"	
Pure Nickel Rupee (a)	.. 180	Nickel 100 per cent	1.1"	"	
" " Half Rupee (a)	.. 90	"	0.95"	Milled	
" " Quarter Rupee (a)	.. 45	"	0.75"	"	Scalloped Coin
Cupro-Nickel Four Anna	.. 105	75 per cent Copper and 25 per cent Nickel	{ 0.925" Across Flats 1.000" " Corners	"	Square Coin with round corners
" " Two Anna	.. 90	"	{ 0.88" " Flats 1.00" " Corners	"	Square Coin with round corners
" " Two Anna (George V)	.. 90	"	{ 0.827" " Flats 1.000" " Corners	"	Scalloped Coin
" " One Anna	.. 60	"	{ 0.827" Maximum 75 0.7795" Minimum	"	Square Coin with round corners
" " Half Anna	.. 45	"	{ 0.778" Across Diagonal 0.684" " Sides	"	Square Coin with round corners

# REPORT ON CURRENCY AND FINANCE, 1958-59

Nickel-Brass One Anna " " Half Anna Copper Single Pice Bronze(b) Single Pice " " " " " " " " "	60 79 per cent Copper, 1 per cent Nickel and 20 per cent Zinc " 100 100 per cent Copper 75 97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin 30 60 45	1.00" 1.00" 0.84" 0.84" 0.84"	Round Coin " " (With a circular hole) Plain "	Same as Cupro- Nickel Coins above	Same as Cupro- Nickel Coins above
Cupro-Nickel Ten Naye Paise (a)	5.00 (Grams)	75 per cent Copper and 25 per cent Nickel	23 Millimetres	Plain	Scalloped Coin
" " Five Naye Paise (a)	4.00 (Grams)	"	22 "	"	Square Coin with round corners
" " Two Naye Paise (a)	3.00 (Grams)	"	18 "	"	Scalloped Coin
Bronze One Naya Paise (a)	1.50 (Grams)	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	16 "	"	"

(a) These coins are being currently issued ; the issue of the remaining coins has been discontinued.

(b) The alloy for bronze coin had to be changed during the period of war due to the scarcity of tin. The proportion of this alloy upto February 1936 was 95 per cent copper, 4 per cent tin and 1 per cent zinc ; from February 1936 to end of 1942, it was 92.5 per cent copper, 3 per cent tin and 1.5 per cent zinc ; from 1943 to date, it is in the proportion of copper 97 per cent, tin 0.5 per cent and zinc 2.5 per cent.

REPORT ON CURRENCY AND FINANCE, 1958-59

**STATEMENT 102**

**NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND  
RAILWAY STATIONS**

	1950-51	1955-56	1956-57	1957-58	1958-59
<b>Silver Coins</b>					
Rupees .. .. .	9,200	5,056	5,587	5,240	4,109
Half Rupees .. .. .	8,252	4,214	4,380	3,472	3,816
Quarter Rupees .. .. .	13,642	4,871	4,139	5,020	6,789
One-eighth Rupees .. .. .	4	—	—	—	—
<b>Total .. .. .</b>	<b>31,098</b>	<b>14,141</b>	<b>14,106</b>	<b>13,732</b>	<b>14,714</b>
<b>Nickel Coins</b>					
Rupees .. .. .	4,429	3,637	5,879	6,015	7,428
Half Rupees .. .. .	12,886	5,438	7,517	8,021	10,682
Quarter Rupees .. .. .	23,073	8,010	8,168	8,607	10,707
Two Annas .. .. .	1,70,327	1,24,845	1,58,815	2,92,465	10,14,326
One Anna .. .. .	23,820	8,430	11,241	18,252	80,378
Half Anna .. .. .	1,771	1,158	607	1,479	4,746
Ten Naye Paise .. .. .	—	—	—	21	96
Five Naye Paise .. .. .	—	—	—	5	22
Two Naye Paise .. .. .	—	—	—	3	1
<b>Total .. .. .</b>	<b>2,36,306</b>	<b>1,51,518</b>	<b>1,92,227</b>	<b>3,34,868</b>	<b>11,28,386</b>

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